A Road Half Travelled: a temporal, case study analysis of inter-party co-operation in the British context, 1945-1999

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Appendix A: Required statement of originality for inclusion in research degree theses

I, Alan John Wager, confirm that the research included within this thesis is my own work or that where it has been carried out in collaboration with, or supported by others, that this is duly acknowledged below and my contribution indicated. Previously published material is also acknowledged below.

I attest that I have exercised reasonable care to ensure that the work is original, and does not to the best of my knowledge break any UK law, infringe any third party's copyright or other Intellectual Property Right, or contain any confidential material.

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Abstract

This thesis looks at five case studies of attempted co-operation between British political parties. The objective is two-fold: to provide an explanatory framework to better understand instances of potential co-operation within the institutional context of British politics, and to build analytical narratives that shed light on the inter- and intra-party dynamics when co-operation between parties has been mooted in Westminster. It addresses a lacuna in the study of British Politics by providing a temporal comparison of understudied examples of attempted co-operation. This comparison inductively draws out what lessons can be learnt about why co-operation is attempted, and the factors that inhibit it.

This framework suggests that these examples of mooted co-operation constitute disruptions of the majoritarian norms which inform the British Political Tradition. It does so through a historical institutionalist lens: the cultural norms of Westminster provide a strategic context, but elite political agents strategically interact with this institutional environment. This tradition is manifested through intra-party pressure against co-operation, and a belief that co-operation is electorally disadvantageous. Equally, actors' interpretation of what is possible or desirable within the perceived constraints of Westminster party politics really matters. This suggests a role for situated agency and strategic leadership, captured through the concept of a disruption/defence of existing institutional equilibrium derived from heresthetics. This thesis contends that the discourse around co-operation holds a rhetorical and performative purpose beyond the success or failure of formal co-operation. Institutional context and memory create incentives for actors to either accentuate or downplay the effect of co-operation, but do not determine the shape and aims of co-operation. As a result, both culture and calculus are all-important to inter-party co-operation.

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Contents

CHAPTER ONE: Introduction and Theoretical Framework – the history and construction of two-party politics, and its attempted disruption

'Atkins: It doesn't work, Michael. One party governs, and *one* party opposes. That's our system. That's *this* building. Two sides of the house, two sides of the argument, facing off against each other: the gap between the government and opposition benches the precise length of two swords drawn. Their tips, touching. We are not built for co-operation, Michael. You get the chance, we try and stop you. We get the chance, you try and stop us. That's our way.' *This House, Act 2, Scene 4* (Graham, 2013)

'Third parties are like bees; once they have stung, they die', *Richard Hofstadter* (1955: 97)

The most striking fact of the coalition government in 2010 was that it was so unexpected. The political actors involved seemed to be unprepared for the realities of a hung parliament. For many academics and commentators, the frenetic five days in May prior to the announcement of a Conservative-Liberal Democrat coalition were, as Philip Norton (2011: 243) put it, 'largely a case of muddling through'. But as the dust settled on the coalition negotiations, and primary accounts began to emerge from key figures involved in negotiations, this was less clear-cut. George Osborne and David Laws had, years prior to the 2010 negotiations, discussed the Liberal Democrats' key demand of electoral reform in the event of a hung parliament (Laws, 2011). As 'Cleggmania' surged during the short campaign, William Hague took some of the press pack aback by openly discussing the prospect of a Liberal-Conservative coalition, in the event of a hung parliament (Macintyre, Interview 2016). Upon completing negotiations, Hague recounts telling his wife 'I think I've killed the Liberal Democrats' – suggesting, if the Conservative Party were operating in blind uncertainty, it was with a surer eye for the future than their coalition partners (Parker, *Financial Times,* 25/3/2015). The widespread assumption that the political DNA of the Liberal Democrats made them inherently politically compatible with the Labour Party was found wanting, and the parliamentary arithmetic alone could not explain their entrance into coalition government. This led to some key questions. To what extent can, or do, politicians look back to the past, or attempt to forecast and redefine the future, when they think about co-operation across party lines? Were the negotiating priorities of both parties in some sense structurally determined, or explained solely by the strategic impulses of the leaders and elite politicians negotiating the deal? And did the fact co-operation was taking place in Westminster, where majority governments are normal, mean there were other informal rules in play, shaping negotiations? The contention of this thesis is that these questions are partially answerable by looking back to when co-operation has been tried before, and finding out whether there are some recurrent themes in the way co-operation is talked about, and approached, by political parties in British politics.

Immediate academic discussion of the coalition was right to point out that, in the post-1945 context, coalition government was untested (Cowley and Kavanagh, 2010; Lee, 2011; Hazell and Yong, 2012). However, inter-party co-operation between parties had been mooted, attempted and discussed more often than this would suggest. So, while the constitutional and governance implications of coalition were largely unknown, the party politics of inter-party co-operation had much more recent precedent from which to draw upon. In cross-national and comparative work on co-operation and coalition building 'the sordid tales of bargaining failure are rarely told' (Strøm, 1994: 112). This is also true in the study of British Politics: the five case studies analysed in this thesis shed light on what are all, to varying degrees, understudied examples of mooted co-operation between political parties in Britain. Reconstructing chronological analytical narratives within each chapter therefore has its own clear empirical and academic value. Each case brings with it fresh insight into the inter and intra-party dynamics that affected the direction of the parties involved. Each, therefore, fills a lacuna in the study of British politics. Some of these cases ended in formal agreement; others in failure. But this thesis proposes a new analytical lens of analysis, that goes beyond identifying formal agreement. Instead, it a framework that tries to understand the strategic goals actors have when they entertain the idea of co-operation, and their interaction with the institutional and organisational impediments that effect their ability to achieve these aims.

Existing Literature and Case Study Selection

The case studies analysed within this thesis are primarily flashpoints where inter-party co-operation was ultimately not formally pursued; or, when squared with the interpreted strategic objectives of at least some of the elite agents that initiated negotiations, co-operation fell short in the change it brought about in the structure of British party politics. Either no formal national-level co-operation was taken forward, or inter-party politics as enacted was not seen to create any sustained effect on party politics. Following a chronological path, Chapter 2 traces the inter-party discussion and interaction between the Conservative and Liberal parties in the immediate post-war period. Beyond fragmented accounts within memoirs and biographical work (Addison, 1992; Jenkins, 2001; Wyburn Powell, 2004) and broader single-party accounts of the parties in question (Cook, 2010; Harris, 2011; Bale, 2012; Dutton, 2013) there is no detailed or sustained analysis of these inter-party negotiations. Chapter 3 analyses the politics of co-operation in 1974, and begins by reassessing the post-electoral negotiations between Ted Heath and Jeremy Thorpe. There has been some effort to retrace these post-election negotiations, prompted by the obvious parallels with the 2010 coalition negotiations and newly released archival evidence (Dorey, 2008). However, the inter-election period between February and October in 1974, as the plausibility of cross-party co-operation gained increased traction, is an overlooked period in contemporary British political history that can tell us just as much, if not more, about the politics and discourse of co-operation than those immediate Liberal-Conservative negotiations. Kirkup's (2012) thorough work on the Lib-Lab Pact supplemented existing contemporaneous journalistic accounts, as well as diaries and memoirs from some of the key figures present

(Steel, 1981; Donoughue, 2008; Michie and Hoggart, 2014 (1977)). Key to taking this work and the archival evidence forward is analysis of the institutional factors that affected how both parties viewed co-operation, and the contextualised understanding of the strategic imperatives behind those negotiations that Chapter 4 provides.

Likewise, though not the principal focus, the relationship between the SDP and the Liberal Party was masterfully dissected by Crewe and King's (1995) *SDP*. Given the SDP continues to act as a touchstone and heuristic for the inherent problems and dangers of political realignment, the lack of subsequent work on the party is notable – although there has been some recent renewed focus on lessons to be drawn from the party (Liddle, 2017). A focus on the early formation of co-operation, and the role of the Liberal Party within the SDP's creation, is an important addition to our understanding of the party. The party has yet to be fully placed within an institutional context in which it was fostered, and Crewe and King's work could only gesture towards understanding what many SDP politicians argue was its key success – its impact on New Labour. The role and reappraisal of a progressive Labour-Liberal lineage in the New Labour project has not been stressed in the extensive literature on the period, bar some key exceptions (Freeden, 1999; Vincent, 1999; Fielding, 2003: 45-56). 'The Project' of co-operation between Blair and Ashdown was extensively detailed in Ashdown's (2000; 2002) diaries but, as the Liberal Democrat observer and practitioner Duncan Brack (2016: 214) recently noted, 'no comprehensive or objective assessment of 'The Project' has yet been carried out'. This thesis addresses both of these key gaps in Chapters 5 and 6.

There have been valuable and important empirical contributions to the way co-operation works in Britain. Philip Williamson's (1994) high politics analysis of the formation of the national government during the inter-war party turbulence provided a guide on how to approach the interaction between elite political actors, during periods of party system change. The sustained period of small electoral majorities and hung parliaments from 1974 to 1979 compelled the field of British Politics to focus on the disruption of two-party politics. David Butler's (1978) edited collection *Coalitions in British Politics* provided detailed case expositions of coalitions from Lord North to the creation of the Lib-Lab Pact, and Henry Drucker's (1979) *Multi-Party Britain* provided serious analysis of 'minor' parties in Britain. Following the formation of the SDP a second set of studies, notably Butler's (1983) *Governing Without a Majority* and Bogdanor's (1983) *Multi-Party Politics and the Constitution* sought to draw together some of these themes, asking the question of what the constitutional and political effect of a shift-change towards multi-party politics could mean. The prompting of this work was itself significant, an indication that the underlying assumptions of party politics were shifting. While Butler (1986: 55) described each case of co-operation as 'one-off concatenations of circumstance', these works also rested on an assumption that hung parliaments would become increasingly prevalent. Taking a step back, we need an understanding of why co-operation remains counter-cultural in British (or at least Westminster) politics, and whether (and if so, how) this manifests itself in recurrent ways whenever different types of co-operation are tried. There has yet to be an approach that links case studies

of inter-party politics to broader theoretical developments in the field of British Politics, as a means of mapping the obstacles and incentives to cross-party co-operation in Britain. Each incident of mooted co-operation defies preconceived notions of British politics as inherently a two-party majoritarian system, and provides examples of understated complexity and diversity shrouded by the Westminster Model. Yet the all-encompassing nature of this way of viewing politics, particularly among the politicians and political actors that shape the direction of party politics, is self-perpetuating and reinforcing. This means identifying processes of continuity and change, and the relationship between the role of institutional structures and strategic agency.

Case Study Selection: why 1945 to 1999?

The historical range of this thesis – and the dates of 1945 and 1999 which bookend the analysis, and set the time-frame for these case studies – is an explicit attempt to trace the development of the institutional context in which inter-party politics (including more recent discussions around co-operation) takes place in Britain. In turn, this creates a picture of an institutional equilibrium recurrent across each of the case studies examined in Chapters 2 to 6. This two-party norm provides a context in which actors operate, when making decisions about inter-party politics. There has been little attempt to either understand the nature of this equilibrium in British politics, or political agents' interaction with it. This is the lacuna this thesis seeks to fill.

This two-party adversarialism of Westminster did not appear from nowhere after 1945. But the empirical evidence in Chapter 2 shows the strategic and rhetorical reinforcement of two-party politics in the immediate post-war flux – in large part through the attempted co-option of the Liberal Party, by the Churchill-led Conservatives – was a significant formative moment. Understanding 1945 as a critical juncture in British party politics brings with it a whole range of questions about continuity and change in the ideational structures of British politics. As Roy Jenkins (1998) pointed out when advancing the case for a change in the electoral system:

> On the factual record it clearly cannot be sustained that … there is anything shockingly unfamiliar to the British tradition about government depending on a broader base than single party whipped votes in the House of Commons.

Jenkins was right in thinking that the post-war 'golden era' of two-party politics is viewed as such not only because of voter dealignment from the 1970s onwards, but also the party-political instability that preceded it in the inter-war period. The post-1945 development towards the archetypal two-party system of strict adversarialism was swift – by 1955, the political scientist Robert McKenzie described Labour and the Conservatives as 'two great monolithic structures' (McKenzie, 1955: 586). Even if this is viewed as solely a

result of the electoral system that operates in British general elections, there is a strong case for understanding how one of the paradoxical characteristics of the immediate post-war period and the 'political consensus' – a rejuvenation of two-party politics and the collapse of the centrist Liberal party – came about, and how elite agents managed (or, as this thesis argues, shaped) this process (Addison, 1975; Pimlott, 1989).

Why not study 2010? The use and purpose of an explicitly historical study of inter-party co-operation

The historical and theoretical focus of this thesis will act as groundwork for analysis of more contemporary instances of inter-party co-operation and realignment. The framework sketched out in this chapter and developed throughout this thesis can become part of the analytical toolbox for those – including the author – who are seeking an historically and theoretically informed way to understand more recent, and future, case of inter-party co-operation discussion. A model is developed and tested, which can be used as a lens to understand the strategic motivations of actors engaged in contemplating cross-party co-operation in British politics, both now and in the future. The framework developed here draws on these five case studies, examined with access to participants and key party documents and archives. It is a framework that can then be used to examine recent instances of co-operation, for example: the 2010 coalition negotiations between the Liberal Democrats and the Conservative and Labour parties; the pre-emptive intra-party discussions around coalition prior to the 2015 general election, within (and, potentially, to some extent) across these same three parties; as well as future instances, where British party politics grapples with co-operation within a two-party cultural and institutional norm.

The existing literature around inter-party politics in Britain has naturally been bolstered by the Coalition which governed from 2010 to 2015. However the focus of this thesis – on path dependent historical continuity, across instances of inter-party co-operation – is in striking contrast to the majority of treatments of inter-party co-operation that have appeared since 2010, which view the 2010 negotiations as a unique political juncture and an 'exception to the rule' (Evans, 2011: 45; Quinn, Bara and Bartle, 2011: 295). This is understandable, given that the Coalition was the first peacetime inter-party government since the 1930s. But using a different lens and a small but crucial difference in categorisation – viewing the Coalition as a case of inter-party negotiation and discussion, rather than as just an example of government formation – shows it is one of a small, but important, number of instances where co-operation has been attempted by elite political actors in Westminster politics. Without a thorough analysis of what has happened in these previous cases, political scientists and commentators – who acknowledge that the Westminster model could pose institutional difficulties for comparative, cross-national theories of coalition politics – have analysed the 2010 coalition without all the tools at their disposal (Matthews, 2011; Bale, 2012). This thesis, through seeking to provide a full understanding of historical instances of negotiation around co-operation in British politics, seeks to provide this context and this analysis.

Indeed, this thesis is intended as the foundation for a further study from the author, once the dust has fully settled, of the political period from 2010 to 2015. With each passing day and with each seismic political moment since May 2010, the key actors involved in the negotiations of 2010 have drifted further away from the levers of power. The methodology and primary resources used in this thesis – extensive party archives and records, as well as elite interviews across each cases study examined here – are triangulated with primary accounts from actors involved. This is a methodology available principally due to the historical nature of these case studies but, as equivalent access opens up, can be utilised to analyse both more recent and future attempts to forge cross-party co-operation. Nine of the ten elite participants in the coalition negotiations within the Conservatives and Liberal Democrat negotiating teams sat in the House of Commons in 2010. Following the 2017 general election just one, Oliver Letwin, remains an MP. The ability and, above all, the willingness of these key elite actors to provide both insight and self-reflection into the imperatives and incentives which drove the decision to enter coalition is only set to increase. There have been detailed expositions on the Liberal Democrat side in diary form from David Laws (2011; 2017) and in the form of a political-tract-come-reflective-account of government from Nick Clegg (2016). Laws' account of Labour-Liberal Democrat negotiation is supplemented but, more often, directly challenged by the account of Andrew Adonis (2010), released months after the coalition's creation. At the time of writing, David Cameron's memoirs are due for release in a matter of months. Close analysis of the period, drawing on access to elite political figures has also come, particularly, from the journalistic account of Matthew d'Ancona (2012) and the contemporaneous history of both Philip Cowley and Dennis Kavanagh (2011) and Anthony Seldon and Mike Finn (2015).

These accounts provide a snapshot that, with the important ingredient of historical time, will become the full picture. In discussions around the source material used in political science, there has often been an artificial boundary between 'interpretive' analysis that sees self-reflective accounts from elite actors as important, and a 'modern empiricism' that shuns this sort of access to history (Diamond and Richards, 2012; Rhodes, 2012). The role of resources like biography and life history in political science is instructive, but contested: 'acting as valuable sources on the inside story but often hav(ing) less to say on the wider context … the structures of power that shape British power and the British state' (Gamble, 2012: 493; see also Diamond and Richards, 2012). This thesis is an attempt to sketch out a framework for understanding how the structures of power in party politics affect decision-making. However, it is also, crucially, about the interaction between the structures of power, and the elite agency of key actors. The framework of this thesis argues that elite agency and strategic decision-making is all-important, and that the behaviour of actors is consciously intertwined with their institutional context when it comes to inter-party politics. Peter Hennessy (2012) described the process of writing contemporary history as 'distilling the frenzy'. The point here is that the time necessary to decipher the signal from the noise will come once the dust has settled fully on the 2010 coalition, and full accounts are given by the key participants. Only then can the underlying

structural ideas which this thesis sets out be fully tested in the context of 2010. This elite access – available in one form or another in all the cases analysed in this study – was not available to any degree when this thesis was first undertook. The combined effects of institutions and the processes of elite decision-making can only be fully pieced together with the access that this thesis did not have. The personal accounts necessary to conduct this analysis on the Coalition are fast-forming, two years after the end of the Coalition government, are fast forming. This thesis provides a fully formed – institutionally, historically and theoretically – framework to draw on when conducting this analysis.

So, the cases chosen here are about elite access. But they are also about theory-building. The merits and drawbacks of much of this analysis of coalition politics since 2010, and discussion of inter-party politics since, are not necessarily just about access to high-level decision-making. Instead it is the lack of any lens that is historically or theoretically grounded through which to explore the claims made by key actors. The framework used in this thesis suggests agency is inherently important. The strategic decisions of political actors can really matter. But analysis of decision-making benefits from being understood as part of a wider process of continuity and change, with political actors – depending on their strategic objectives – using political co-operation as a means either to disrupt or defend the institutional equilibrium of two-party politics in Westminster. Analyses of inter-party politics in British politics today which tries to build theories of inter-party co-operation without making full use of the building blocks provided by these under-examined instances of co-operation are missing the wealth of empirical evidence provided by contemporary political history.

A lack of engagement with the history of inter-party politics in Britain was a recurrent complaint among those interviewed for this thesis. A revisionist look at these instances of co-operation, from 1945 up to the Labour-Liberal Democrat negotiations in the late 1990s, has both an empirical and an analytical purpose: empirically, the focus on inter-party politics provides a fresh way of looking at the politics of these historical periods; analytically, and more crucially when it comes to understanding the future utility of this thesis, through a framework which aims to understand political co-operation in the politics of Westminster. This framework, set out in this chapter below and utilised in the five case studies explored in this thesis, could be most readily and directly applied when understanding further cases where co-operation between political actors and political parties have been discussed in British politics. The argument and the framework pursued here opens the prospect of further case studies examining both contemporary and future instances of co-operation in British politics. This could build on the work of Heppell (2013) to explore the 2010 coalition through the lens of heresthetics, as conceptualised in relation to the institutional equilibrium of British politics. This literature that is building up around the 2010 negotiations – made up principally of contemporaneous political history, political journalism and political memoir – suffers from one clear deficiency, and one ever-developing strength. The strength lies in its fast-growing breadth. Its weakness, beyond some key exceptions, lies in questions of theoretical depth and historical detachment. Both this

strength and this weakness provide a justification for the specific empirical focus of this thesis, and for the theoretical framework outlined here – providing a historical grounding, and an analytical basis through which to analyse instances of inter-party negotiations in the past.

This thesis explores what these strategic objectives were, and how they interacted with existing conceptions of the structure of political opportunity within British politics. It attempts to uncover the connection between the embedded majoritarian and two-party nature of the British political system and what was, at least until the coalition government of 2010, seen as a high level of continuity in inter-party (in)activity (see Yong, 2012: 1; Seldon, 2015: 1-2). Each case provides a political context where this continuity was challenged. But their analysis may also uncover new continuities – primarily in the way the ideational institution of party political adversarialism was both questioned and defended. If there is a cumulative path dependency in the way political co-operation is conceived, it is likely to evolve during, and revolve around, these formative moments. Understanding this will shed light on the way the institutional constraints of British party politics are produced, and reproduced – a study, explored through the context of inter-party negotiations, of the impact (and, potentially, the discrete evolution) of the British Political Tradition (BPT) on party politics.

Theoretical Framework

This chapter provides an epistemological justification and explanation for this approach, and sets out the theoretical lenses that are applied to the five case studies within this thesis. This involves assessing how the ideational concepts within the BPT, expressed largely in terms of political culture, impact upon the perceived political possibilities of cross-party co-operation. Hay (2009, 262) has cautioned against treating 'the relationship between conduct and context, agent and structure, as an empirical, rather than an ontological one' given that 'no interpretation of the evidence is itself ontologically innocent'. However, as Chadwick (2000: 288-89) notes, any 'distinction between real politics and ideas is artificial … (and)… our understanding of any political practice is incomplete if it does not refer to the discourses that surround and construct it'. The opposite is also true: discourses and 'traditions' can only be fully understood by analysing the way in which they are produced and reproduced. Ideas such as the BPT must be applied to empirical puzzles and contexts. The BPT has been applied to studies of nationalism and anti-politics, devolution and House of Lords reform, the regulatory state and the policy making process (McManamon; 2012; Diamond, 2013; Vines, 2014; Richards and Smith, 2015ab; Fitzpatrick, 2016).

This thesis provides its empirically-driven application to the study of inter-party politics and political co-operation. It is an inductive attempt to describe and interpret whether (and if so, how) a seemingly predominant majoritarianism creates the perception of co-operation as counter-cultural, and how agency-led strategic disruption (or, as Riker (1986: 1) termed it, the 'dynamic manipulation') of pre-existing political

dimensions can potentially act as a causal mechanism for change. It proposes new lenses through which we can understand and trace inter and intra-party processes, as well as the interrelations between continuity and change, and context and conduct. British politics has in this respect been criticised as deficient, with an emphasis on gradualist change that risks underplaying the extent to which settled ideas and norms have been challenged, albeit rarely overturned (Bevir and Rhodes, 2003: 151; Hall, 2011: 2).

The actions of those involved in negotiations need to be reinterpreted: the success or failure of inter-party negotiations, as categorised in the existing literature, does not encompass the strategic aims that led political co-operation between parties to be mooted and pursued. This means analysing the strategy behind behaviour as well as the effects of institutional inheritance and memory and stressing that the actions of political actors are not an inevitable 'social "output' abstracted from the specific strategic context' (Finlayson, 2004: 530). As Sartori (1976:44; see also Maor, 1997: 23-31) argued, party systems can be defined as 'the system of interaction resulting from inter-party competition'. Political parties have an agenda-setting role, and inter-party *co-operation* is potentially as crucial an aspect in defining a system and its ideational and material properties as *competition* (Webb, 2000: 1). Historical institutionalist approaches, despite being sometimes characterised as inflexible in their capacity to explain agency-led change (Shepsle, 2001: 321-25; Thelen, 2003: 1-6), have stressed that 'institutions are *sometimes* pliable as instruments in the hands of actors, generally in periods of structural indeterminacy, or critical junctures' (Riedl, 2016: 228). If inter-party negotiations are potentially a political instrument, we need to ask what political actors who initiate or agree to inter-party bargaining are intending to achieve.

There is a settled view within the historical institutionalist approach that significant institutional changes – such as, for example, the pursuit of an inter-party agreement for the purpose of political positioning, governing survival, or as a means of advancing constitutional change – are possible, particularly during periods of flux. But there have been calls for historical institutionalists to provide answers to the twin questions, posed by Riedl (2016: 234), namely:

> When can parties shape the rules and when are they constrained by and shaped by the existing rules? When does the process of parties acting to change the rules actually reinforce the significance of the rules themselves?

Within this thesis are cases prompted by specific electoral or legislative imperatives. For others, negotiations are less straightforwardly a result of immediate circumstances. Some political actors may be reacting to their political context to secure specific short-term tactical goals, such as the maintenance of office and the pursuit of specific policy objectives. As a result, they may downplay the structural effect inter-party politics might have, emphasizing the temporary nature of co-operation and its limitations. Other actors involved in the very same negotiations may have a longer temporal horizon, believing co-operation could beget

longer-term change in competitive dynamics between parties and the in-built assumptions of the party system. Neo-statecraft theories have integrated the idea that 'bending the (formal) rules of the game' may be an important element of political leadership (James, 2012; 2016), and in the comparative study of both government formation and electoral reform there is an increasing understanding the temporal horizons of actors can matter (Renwick, 2010: 29; Strøm, 1990: 88). Inter-party agreements, if framed as a challenge to majoritarianism, could be used to pursue what Duverger (1954: 215) called 'mechanical' and 'psychological' outcomes – or alternatively, in the lexicon of critical political analysis, 'material' and 'ideational' (Marsh and Hall, 2015) – changes to the electoral 'rules of the game'. They could form part of a wider strategy of party political realignment, redefining and repositioning the electoral identities of parties. Or inter-party agreements could be, as Riedl (2016: 235) suggested, short term changes born from necessity that ultimately reinforce and restate existing ways of thinking about political co-operation in the British party system.

These are potentially significantly divergent aims, but they might intertwine when parties negotiate. Teasing out these distinctions is important, as the goals actors bring to these negotiations do not necessarily or straightforwardly adhere to typologies of inter-party co-operation – typologies defined by the functional make-up of agreements, while not necessarily accounting for the motivations of actors in instigating and pursuing negotiations (Golder, 2006; Müller et. al. 2008; Johnson, 2016). Yet coalition negotiations are processes inherently constituted of elite actors and require their initiative and support, perhaps particularly if (as in the case of British politics) they are perceived as counter-intuitive. This requires a focus on leadership, and on the endogenous processes and strategies involved in the pursuit of inter-party politics. We are seeking to *describe* the effect of the existing institutional template of party politics, on the agents that pursue inter-party politics. But we are also attempting to understand *why* and *how* elite agents go about challenging, and defending, seemingly entrenched traditions of majoritarianism and adversarialism.

This means an historical, institutionalist focus on continuity must be complemented by a realisation that political agency matters, too. This thesis suggests approaching strategy and agency through the concept and schemas of 'heresthetics' – forged within the field of rational choice but insistent on the 'art' rather than 'science' of politics, and the creative rather than the determinative. Riker (1980: 445; 1986) describes a subtly different answer to the question of what conditions cause change to the political and institutional environment: heresthetically-inclined politicians can work to create disruption of existing equilibrium through 'political manipulation', in the pursuit of new institutional settlements or 'issue dimensions'. Riker's argument, summarised, is that, 'when institutions stand in the way of rational individuals, individuals will act to change the institution' (Schneider et. al, 1995: 36).

There is an increasing awareness within the study of British politics that elite agents have a performative role which makes 'examination of the use of language in the "construction" of reality by both leaders and the led' (Atkins and Finlayson, 2012: 2) particularly important. This has been framed largely as a call for

greater understanding of political rhetoric, an emphasis on critical discourse (Fairclough, 2001) and rhetorical analysis, and a reassertion of the fact that 'rhetorical techniques that were originally identified by the ancient Greeks are still very much alive and well today' (Crines, 2013: 209).[1] Riker (1986: x) argued his concept of heresthetics, while related, was subtly different to political rhetoric – setting out that while 'rhetoric is concerned with the persuasion-value of sentences … heresthetic is concerned with the strategy-value of sentences'. Riker's (1986: ix) work on heresthetics describes how, as a politician, you attempt to 'structure the world so you can win'. This means understanding how actors use and interpret elements of British political institutions and traditions in a 'performative' way, with politics as:

> a creative art in which the political actor seeks to create, out of the materials bequeathed, new ways to think about political problems (crisis and dilemmas) and to persuade others to see things in these terms. (Finlayson, 2004: 155)

There are important, but reconcilable, contradictions here. The British Political Tradition is broadly conceived as an elitist, top-down, power-hoarding mechanism defended by self-serving politicians. Yet we are also assessing whether its manifestation in party politics is being challenged, predominantly, by some of these same elites. The historical institutionalist assumption we are testing is that threads of continuity run throughout cases – threads that show the recurrent perception of inter-party co-operation as electorally damaging, and institutionally unworkable. But we are also looking at how political actors and parties attempt to radically reshape their political environment through strategy in relation to their competitors. This involves seeing political action in relation to cross-party politics as potentially iterative and shaped by institutional memory (Strøm et. al, 1988: 925). It is also about realising political actors feel these traditions can be utilised and 'through the artful use of political terms and concepts … convince themselves and others of the utility, truth or virtue of their perspective' (Finlayson, 2004: 530). It suggests institutions can be important, but there must also be a focus on the 'specific, strategic contexts of political action within which, alone, ideas can be understood' (Finlayson, 2004: 530). Put simply, this involves seeing elite agents as situated, but also strategic.

British Political Tradition and Two-Party Politics

The concept of a British Political Tradition is an increasingly well-used shorthand for a majoritarian, top-down, 'power hoarding' approach to political power, and a political and electoral system based on weak, limited principles of representation which privilege stability over proportionality (Bevir and Rhodes, 2003; Evans, 2003; Hall, 2011; Diamond, 2013). This has clear implications for the prospects for inter-party co-operation. The idea the electoral system inherently disqualifies political co-operation as a practical outcome has meant the role the party system plays within the pathologies of the BPT is largely implicit within both

[1] The Rhetoric and Politics specialist group with the UK Political Studies Association was set up in 2010

classical (positive) and critical (negative) approaches to the concept. Those approaches are united in describing a broadly elitist conception of democracy, with a primary focus on executive stability and consistency over representation and participation. Contemporary theorists of the BPT focus on the top-down, hierarchical centralisation of power as the key underpinning of this concept of stability. The two-party system, and the inherent production of single-party majority governments, is left largely implied (though see Evans (1995: 19-30); Richards and Smith, (2015)). Hall (2011, 156) notes that the 'equation of single-party governance with strength and coalition government with weakness has achieved an almost 'common-sense' status' within debates on UK politics about constitutional reform'. Hall (2011: 156-7) also points out that attempts to incrementally change the mechanics of the electoral system, through the attempted introduction of the Alternative Vote in 2011, reflected a 'predominant view of coalition governance' – with debates about electoral reform, and the coalition, 'conducted within an environment whose parameters had been shaped by the BPT'.

Although disrupted by the coalition government of 2010-15, this implicit majoritarianism within party politics reinforces the concepts of governance on which the BPT is principally centred: as Butler (1986: 8) put it, the 'unwritten rules of the game in British politics are deeply intertwined with the assumption that one party will win a clear majority and rule the roost'. Voters' ability to directly select the executive continues to be seen by comparative theorists as a key aspect of British party politics, despite it becoming increasingly apparent plurality or majority voting may have a weak tendency to produce decisive outcomes (notably Lijphart 2012; for a convincing critique of Duverger see Dunleavy, 2012). The Westminster Model, used interchangeably with 'majoritarianism' by some comparativists as the epitome of a two-party system (Whitehead, 2013), provides a common understanding of how British political institutions work and continues to 'reflect how most politicians and officials perceive the system' (Hall, 2011: 156). It defines the way politicians think about their relationship with voters and, it is widely assumed, *vice versa.* The continuing perception of two-party politics and single-party government as the status quo, despite the Coalition Government that ran from 2010 to 2015, led to exasperation among many long-term political reformers. David Marquand (2011), for example, criticised the Coalition government given it had not encouraged 'lateral thinking and a more deliberative, less partisan governing style'. As Nick Clegg noted to the anthropologist Emma Crewe (2015: 67):

> people divide up the world into good and bad, sacred and profane – they wrap things up in opposites. British politics was dominated by two parties and with a pendulum that swung between them.

Indeed, cross-national evidence belies the idea that inter-party politics is inherently discounted by single member plurality voting systems, and the continued viability of Duverger's Law continues to come under scrutiny (Singer, 2012; Dunleavy 2015). As McLean (2012: 8) notes, the operation of Duverger's Law is

'perfectly consistent with a multiparty system in the House of Commons; that is possible whenever the geography of voting brings it about'. Tentative quantitative comparative work and theoretical frameworks concerning pre-electoral coalitions has suggested they are encouraged by majoritarian systems and electoral thresholds prohibitive for the representation of smaller parties (Golder, 2006: 658–660; Strøm, Budge and Laver, 1994: 316; Ware, 2009).

However, the folk perception of two-party politics as largely unchallenged is a significant theme that permeates these case studies – as Jonathan Powell (2016, Interview) noted, 'people tend to project things in straight lines but, if you actually look back at the history books, they do change'. This perception of continuity in relations between parties led Ware (2009:102) to note the complete dearth from the 'mid-20th century onwards' of 'temporary alliances' between parties within Britain. This was the result, he argued, of the fact that:

> parties no longer wanted to be seen 'fraternising with the enemy', and coalitions are an especially strong form of fraternization, because it will both weaken their own claims to be offering a distinctive policy agenda and leave them tarnished by the failures (including failures in government) of that party.

Ware (2009, 100-101) went on to point out five 'conditions', in a two-party system which could plausibly incentivize an alliance between a 'larger' and a 'smaller' party:

1) Electoral rules that allow candidates to be 'shared', or allows candidates to be withdrawn by one party to aid another.
2) There is a competitive two-party system, creating a strong incentive to stunt the growth of smaller parties or absorb them if they become electorally successful.
3) Local party organizations have autonomy to initiate inter-party negotiations, while national parties simultaneously can impose national arrangements.
4) Parties are not concerned about maintaining a specific, independent policy identity on key issues that is strong enough for a national political presence.
5) Where political co-operation does not necessitate co-operation in government.

Ware does not order these conditions, or assess whether any are necessary or sufficient for inter-party collaboration to take place. Yet he makes it clear that both structure and agency do matter, and that the institutions of Westminster could – on their mechanical properties alone – facilitate electoral co-operation. This raises the question of what, exactly, contributed to the settled view of two-party politics as an undisrupted norm. Anthony King (1982: 241), in the context of the SDP-Liberal Alliance's continued polling success, wrote that:

> The British two-party system – that that seemingly immutable product of the "first past the post" electoral system, Britain's social structure and the enduring party identifications of Britain's voters – shows every sign of breaking up, not slowly and gradually, but with something approaching Mount St. Helen's force.

In King's analysis, the question of who was doing the breaking up of the 'two-party system' had two answers: it was 'taking place both down below, among voters, and up above, among members of Parliament and other prominent politicians' (King, 1982: 241). If a two-party system based on 'impermeably dichotomous class sensibilities' (Fielding, 2010: 102) was drawn up as the result of class alignment in the 1920s that were solidified by the Second World War, gradual dealignment from the 1970s – largely perceived to be gradual but undeniable – should have had the reverse effect, prompting a realignment of party politics. After all, as Fielding (2010: 106) notes, the existence of challenges to the two-party system showed 'tensions and instabilities inherent in the Westminster party system even in its pomp'. This was a process that Marquand (1988: 109) argued had created 'a heterogeneous, pluralist society in which authority had been demystified, cultural values had changed (and) the political system had lost legitimacy'.

Ware and King's observations are worth probing and developing. Ware argues an aversion to inter-party politics was not an inherent, mechanical function of the First Past the Post electoral system. King's comments suggest that, while glacial developments may slowly dilute the link between the core drivers of two party stability, were change to occur it could happen relatively quickly. Both suggest the impermeability of party identities and competitive dynamics between the parties created institutional, organizational and systemic barriers to change. This raises the key question of continuity at the heart of this thesis: the ways in which this institutional opposition to inter-party politics is produced, and reproduced within the context and discourse of British party politics during flashpoints of challenge. This thesis suggests two things impact on elite agent's understanding of the party system and limit their ability to pursue inter-party co-operation: the perception of an electorate sceptical about such co-operation (*voter-facing*), and intra-party opposition to the weakening of 'tribal' identities and policy goals (*party-facing*). This creates research questions **RQ1a** and **RQ1b,** which are both explained and explored below:

Institution-Facing Constraints

That dealignment does not automatically prompt realignment, and party systems can subsequently be 'frozen' and unresponsive to structural change, is not a new idea (Lipset and Rokkan, 1967; Mair, 1998: 3-18). But why the British party system remained largely impermeable to underlying structural change is not straightforward. McLean argues large swings in votes, first to the Conservatives from 1979-1992, then Labour from 1997-2010, disguised underlying shifts that meant single-party majorities were increasingly

difficult to achieve. According to Webb (2000: 8), rather than a movement from two-partyism to moderate pluralism, the electoral system had created a '*latent* moderate pluralism'. A 'majoritarian institutional framework and ethos' (Ibid: 15) limited the impact of underlying electoral change. This makes a focus on alliances and their perceived electoral consequences important: mechanical aspects of the British institutional framework may potentially facilitate (though far from guarantee) decisive majority electoral outcomes, but this does not necessarily explain why parties would be resistant to working in combination to achieve them. A resistance to doing so could be the result of an assumption of single-party electoral victory either because of, or in spite of, the evidence. But it could also result from an expectation that inter-party co-operation would be electorally unpopular and counter-productive, which would have more to do with the 'institutional ethos' rather than the 'institutional framework' of British politics.

As one commentator put it before the 2015 general election, 'all party leaders scorn coalitions before an election: to do otherwise smacks of defeatism and indecision' (Johnston, *Daily Telegraph*, 23/3/2015). This is not true comparatively, where indications are that collaboration prior to elections increases support for the parties involves, and turnout overall (Tillman, 2015). This suggests the party system is dictated by perceptions of voter demand, born from a pervasive desire for strong (single-party) government. The extent to which the 2015 general election result was predicated on a rejection of the possibility of a coalition has been one of the dominant themes of psephological analysis (Cowley and Kavanagh, 2015; Cutts and Russell, 2015: 81). The general election results of 2015 consolidated a multi-party politics dictated by geography, which McLean (2012: 8) described as a possible outcome of Duverger's assumptions on plurality elections. However, opinion polling on the concept of coalition between 2010 and 2015 appeared to reinforce the idea that coalition government was intrinsically weak and disfavoured, a result of the 'majoritarian frame of mind' (Riddell, 2011) that prevailed among voters, and in Westminster and Whitehall. The British Social Attitudes Survey (2015) found just 29% of people wanted the government to be a coalition, down from 40% in 2010 and among the lowest levels in the 30 years in which the question had been asked.

It is potentially more complicated than that: Green et al (2015) appeared to prove, utilizing BES data, that the possibility of hung parliament increased the vote share for minor parties. But the perception of coalition as counter-cultural was widely perceived as one of (though by no means the only) reason for the Liberal Democrats' electoral collapse in May 2015. The Conservative mantra in the 2017 General Election – 'strength' and 'stability' weighed against the possibility of a 'Coalition of Chaos' – suggested the party felt the possibility of a hung parliament was, in and of itself, a vote-repellent proposition. Bogdanor (2011: 76) argues that the only circumstance where British voters would openly welcome an electoral pact between parties is when there exists an overriding cause beyond the machinations of party politics, on the grounds of a "national" appeal'. Similarly, he previously argued that only structural reform of Britain's electoral system could remove the inherent inelasticity and rigidity of the party system (Bogdanor, 1992: 165–187). This is echoed in Crewe's (2015: 64) anthropological account of the House of Commons, which observes

that, while cross-party friendships and informal alliances are a part of parliamentary life, overt co-operation across parties is reserved for defined periods of crisis. Crewe observed that the extent to which parties and politicians collaborate on a day-to-day basis is often downplayed. The Coalition government's rhetorical justification was consistently framed as 'the right thing to do… in the national interest', with an emphasis on unity overriding any clear ideological justification for the creation and continuation of the inter-party arrangement. David Cameron (2010) put it thus:

> Given the massive challenges this country faces, particularly the deficit, the national interest was not served by a minority government limping along. It was served by strong, stable, decisive government that could really act in the long-term interests of our country.

Cross-national study has found that, while smaller parties frequently incur losses as a result of a diluted political identity, larger parties typically carry the electoral costs and benefits of incumbency (Merson, 2002). But a key question is whether perceptions of coalition and the party system are thought to accentuate this process, due to the perceived norms of strong, single party government within British Politics (Kidd, 2014). This has had significant contemporary resonance and import. Caroline Lucas, the Green Party co-leader, argues that movement towards a 'progressive alliance' have been stalled not due to a lack of ideological or policy overlap, but the fact that 'working with others can sometimes be perceived as a form of weakness' (Bienkov, 2017), which echoes the BPT's focus on centralized and strong leadership. Despite the immediate inescapable logic for smaller parties if office and policy goals are to be achieved, there is also a sense coalition government may be particularly injurious for small parties, creating a "black widow' effect' that sees the senior coalition partner swallowing its junior (Bale, 2012). This may be the result of the institutional mechanisms of a Single Member Plurality voting system, but also that the electorate may not be 'used' to coalition. If a system has a tendency to produce single-party government, this in turn makes the possibility of inter-party politics less likely even in circumstances that might otherwise be electorally or political propitious. As Butler (1978: 84) suggested:

> Coalitions between two unequal parties may turn out to be like the relationship between the tiger and the young lady of Riga. The electorate may soon prove unable to distinguish between the parties. The lesser fry may quickly lose their identity, and with that their goodwill and electoral base.

If the entrenched party and electoral system creates structural disincentives for cross-party collaboration, we should see empirical evidence for it when inter-party negotiations are considered and take place. This is ultimately something that is explored here through analytical narratives of the process of inter-party negotiations. Tracing and identifying the empirical evidence for this hypothesised continuity and evolutionary change within British inter-party politics, particularly between understudied and

underdeveloped cases, is an important addition to a British literature that has often viewed these cases of contemporary history in isolation, and a comparative literature which has often ignored incomplete negotiations (Strøm, 1994: 112). The empirical work within this study is also a significant addition to a historical institutionalist literature that has often struggled with, as Hall and Taylor (1996: 950) describe:

> a sophisticated understanding of exactly *how* institutions affect behaviour, and some of its works are less careful than they should be about specifying the *precise causal chain* through which the institutions they identify as important are affecting the behaviour they are meant to explain.

This study seeks to understand the causal mechanisms that construct the British Political Tradition's take on, and effect on, electoral party politics – primarily through the way that elite political actors understand the limits of their strategic environment and the possibility of inter-party co-operation. This leads to the first research question, explored here:

RQ1a) Do ideational institutional norms exist in British Politics that inhibit inter-party co-operation?

Party-Facing Constraints

The case for the sort of temporal comparison conducted in this thesis is born from an historical institutionalist position, and a belief that change in the party system towards co-operation would have to occur within an institutional context that potentially discourages inter-party activity. Approaches to political statecraft in the UK have emphasized that the concepts of collective leadership and party government are important areas where a distinctive approach to British politics may be required, along with the need to account for the adversarial nature of politics in Britain (Bulpitt 1995: 518; James, 2013: 9, 13). Understanding this institutional context, in which strategic decisions about party politics are made, is important. But historical institutionalism also focuses on the idea that attempts at co-operation can be cumulative. What may be the result of a strategic reading of the rational possibilities for a situated agent in a given moment may, over time, 'ossify … into worldviews, which are propagated by formal organizations and ultimately shape even the self-images and basic preferences of the actors involved in them' (Hall and Taylor, 1996: 940). Actors and political parties may explicitly or implicitly link attempts at cross-party co-operation with previous negotiations.

This idea that attempts at inter-party cooperation are mutually dependent, iterative events is not new. As Riker (1986: ix) said of the practice of heresthetics, 'there is one partial substitute for practice … and that is the vicarious experience of instruction'. Indeed, this process may be amplified in the case of Britain: as

Butler (1986: 10) noted, 'with an unwritten constitution we rely on precedent … when analysing a problem or procedure the experts describe what was done the last time it arose'. This experience may be the result of elite actors' political biography and lived memory, and what Marquand (2010: 5) described as 'the subtle, often ambiguous relationship between individual character and experience, and political action and belief'; it could be party specific, and the result of shared experience of previous negotiations and their effects; or, it could cut across party lines to form a more general understanding about how cross-party co-operation functions, or does not function, in Westminster. To touch upon the field of social psychology (usefully) shoehorned into the case-study comparative volume *Puzzles of Government Formation,* 'bargaining theory predicts changes in the player's expectations and outcomes, as a function of the outcomes of previous trials' (Van Beest, 2011: 27).

If politics is shaped within the context of a two or two-and-a-half party system, with parties essential to the reproduction of the Westminster Model through a reproduction of club government and club rules (Moran, 2003:32; Richards and Mathers, 2010), then this suggests both a striking consensus across parties, and across time, to what Evans (2003:16) calls an 'all party elite tradition'. Yet inter-party politics involves looking at political parties *sui generis*, as well as their interaction within the party system – with the 'party-as-a-system' being a different level of analysis to the 'party system' as a whole (Sartori, 1976: 44). Bevir and Rhodes (2016: 196) suggest political scientists should ask whether 'different sections of the elite do not draw on different traditions to construct different narratives about the world, their place within it and their interests and values'. British political parties all have institutional memories to call upon, and identities that can be called into question, when co-operating with a competitor. Inter-party deals are intrinsically emotive in their invitation to look simultaneously outward and inward. This can be an attraction or a turn off for actors and parties contemplating them, but pacts or deals are an act with symbolic resonance in and of themselves.

What pervades many of the interviews conducted with Liberals and Liberal Democrats in this thesis is an emphasis on the role of party identity, and the place of party democracy within this identity as a constraining force over elite decision-making (Hughes, Interview, 2016; Meadowcroft, Interview, 2016). Comparative work is split on whether tightly centralized parties have more freedom for manoeuvre in coalition negotiations (Pedersen, 2010; *contra* view, Maor, 1995). While inter-party politics have organizational effects, they are also an example of positioning, strategy and tactics – the area of party activity most tightly centralized within the Liberal Democrats (Sanderson-Nash, 2011). What this also implies is a potential divide in enthusiasm between party leaders, party elites and grassroots members (Wager, 2017), with leaders tending to be keener on co-operation strategies as a path towards policy goals like constitutional change.

Critical voices in favour of radical constitutional change have questioned whether consecutive Liberal (Democrat) leaders were as committed to a radical, participatory tradition as they claimed, particularly in the context of their support for movements like Charter 88 (Erdos, 2009). A core idea of constitutional

reform advocates within Charter 88 was that 'proportional representation could follow from a new settlement rather than be gained within the old one' (Barnett, 2008: 35). Liberal leaderships consistently did not sign up to this idea. Change had to be pursued through Westminster, via strategies of inter-party co-operation. This divide, between a party elite viewing co-operation as a route to constitutional reform, and a radical wider party demanding bottom-up reform, also runs head-into into a Liberal ethos of internal democracy. Tracing how this works in practice within these case studies – whether these perceived constraints are pre-emptively considered by party elites, and if organizational barriers are cumulative and are partially dependent on past experience – is important.

Prior experience of bargaining and co-operation within the Labour and Conservative parties may display a less clear longitudinal development. There is a potential arc of continuity between these case studies within the Liberal geneaology. But the institutional memory and folklore of the two largest parties in British politics is less determined by inter-party co-operation. There is a clear danger of constructing a logical trajectory, or a 'retrospective rationality', that artificially inter-links flashpoints of inter-party activity, underplays the contingency and complexity of decision-making and, ultimately, creates theory which does not bear relation to the way in which actors themselves experience discussions and negotiations (Kay, 2005: 561-2; Mahoney, 2000: 527). Indeed, there might be a much greater degree of stability and stasis in the way the strategic limits of the British Political Tradition are approached. Instead of incremental path dependence, this would mean an overwhelming continuity – the result not of institutional memory and patterns of behaviour, but instead webs of significance that see little significant challenge to party duopoly in the Commons. As Diamond (2016: 126) notes: 'institutions are always changing, but the impact of stasis and inertia is too often underestimated'. Process-tracing these historical flashpoints of inter-party activity will help us understand when changes are contingent, and when they follow wider patterns and paths (Immergut, 2006: 246).

History could also be invoked more generally rather than in response to specific prior events and key figures, with past co-operation part of an aggregate concept of tradition and how the party views itself in relation to its competitors. Within the Labour Party, Drucker (1979: 25) argued that 'the sense of its past is so central to its ethos that it plays a crucial role in defining what the party is about to those in it'. While this is primarily a construct emanating from the trade union movement, a key element of the party's ethos is loyalty. Or, to use the case of Labour and its none-too-complex relationship with the National Government, 'the ghost of Ramsay MacDonald hangs heavy over the Labour Party, and no leader wants to be seen as a Judas, clinging on to power by selling out' (Powell, 2011: 35). Within Labour, as Crosland put it, the figure of Ramsay MacDonald is 'a potent reminder of the risks involved in giving too much deference to party leaders' (Diamond, 2016: 199). The SDP's creation was viewed as traitorous; dissecting whether this had a direct effect on subsequent co-operation is key. Labour Party historians have also noted an apparent gulf, evidenced in the Gladstone-MacDonald Pact, between a leadership less wary of being dependent upon Liberal support, and a grass-roots with a greater emphasis on union power (McKibbin, 1974: 54; Callaghan,

2003: 120-21). While the language of the 2010-15 coalition government was primarily about redefining the concept of coalition through an appeal to stability and unity, there was a further counter-intuitive approach to 'progressivism' born, Emily Robinson (2016: 118-19) argues, from the lack of a contemporary Conservative–Liberal dynamic or contemporary narrative to reach for. The idea of history as something that can be utilized, of 'using the past as a 'radical resource' to unsettle the present', is something that Robinson (2016: 120) argues is particularly prevalent among political actors from all parties, who are 'particularly assiduous users and creators of historical narratives'. How this manifests itself in negotiations – whether the objections of the grass-roots are embodied in, and pre-empted by, political leaderships of the parties – can be understood by historically analyzing these negotiations in detail. This leads to the further, party-centred area of exploration:

RQ1b) Do British political parties provide ideational hurdles and/or organizational barriers to inter-party co-operation?

Agency Disruption: The Art and Construction within Political Rationality

Uncovering whether there is continuity and path dependence within approaches to inter-party negotiations is important. However, the causes and drivers of challenge and change must also be understood. This means each case study focusing not just on the historical, institutional aspects of political co-operation but the effect of agency too. Ideational political institutions like the British Political Tradition are not immune to what can seem like relatively arbitrary change – change originating in political actors challenging, railing against and pushing the boundaries in their pursuit of rational (or, potentially, irrational) goals and gains. This means analysis that 'decentred' our understanding of inter-party machinations away from the performance, rhetoric and strategy of individual elite agents would not take in the whole picture.

The fact cases of the sustained pursuit and formal enactment of inter-party co-operation remain exceptional rather than normal does not undermine a thesis exploring an indeterminitive ontology, which emphasizes the role of the 'will' of agents in affecting social outcomes. Neither does the idea, as outlined above, that the BPT potentially sustains structural disincentives for pursuing inter-party co-operation. Indeed, it compels the study of change and disruption (and, even, failed attempts at change and disruption). The core belief of historical institutionalism is that political agents and actions are nested within political traditions, which in turn shape political actions (Hall and Taylor, 1996: 529). This does not mean the subject of study when analyzing political co-operation, the political actors themselves (and, in the case of inter-party negotiations, primarily elite-level actors), fulfil little more than a functional role. In fact, these agents both work within and shape the future development of party politics. This demands further in-depth study of

the interaction between structure and agency within cases that, due to problems of categorization – or, equally, relative disinterest given their perceived failure – may not have been fully empirically explored.

Historically tracing coalition negotiations provides cases where institutional constructs have been contested. Work on historical institutionalism has stressed that political change is a discrete process punctuated by periods of conflict, which act as 'formative moments' (Peters, Pierre and King, 2005: 1276). While these are often assumed to be externally imposed crises or dilemmas, they could also be the result of internal action deriving from strategic disruption (Finlayson, 2004). The attempted forging of co-operation provides flashpoints where the viability of inter-party alliances is contested, and where this viability can be challenged and potentially reformulated. More practically, this also allows for analysis of flashpoints where the characteristics of the BPT are challenged and overtly discussed – a chance, perhaps, to observe what tends to be unobservable: how the institutional and social constructions that condition British party politics interact with, and shape, 'rational' attempts to gain office, enact policies and maximise votes. But before going on to explain how the concept of heresthetics will be used as an analytical framework, it is worth fleshing out why this intersection between rational choice and historical institutionalism offers a useful path to explore inter-party negotiations. This requires a firm understanding of the concept of heresthetics, and its applicability to analysis of inter-party politics in the British context.

What is heresthetics, and how does it fit with a historical institutionalist approach?

If we accept that strategic agency has a role to play in the operation of inter-party politics, heresthetics provides a lens through which to understand it. Essentially, heresthetics is an attempt to conceptualise and unpack how politicians use political strategy to achieve defined political objectives. If political actors operate within an unfavourable political environment or institution, then they must go about shifting the terms of engagement and the institutions and political dimensions that shape the structure of political opportunity. Riker (1986: 142-52) outlines a schema that allows for attempts both at long-term change in the structure of political debate, as well as short-term tactical manoeuvres such as redefining majorities within political legislatures. This means achieving a richer understanding of *why* political actors may pursue co-operation with a competitor than currently – not just how the institutions political actors' inhabit frame goals, but how strategies also attempt to affect change (or stasis) on these same (ideational and material) institutions.

In the messy sphere of inter-party politics, actors and parties are clearly (indeed, are inherently) operating with divergent objectives and imperatives. While they may converge and overlap in the creation of an agreement – such as in the creation of the Lib-Lab Pact, or the SDP-Liberal Alliance – that does not mean the reasons for pursuing co-operation are wholly aligned. Likewise, if a formal agreement is not reached, this does not mean that the actors involved did not achieve all, or some of, their objectives: inter-party negotiations themselves may have had a performative, signalling or symbolic function. Indeed, politicians

could also couch agreements within the existing norm of majoritarianism, utilizing inter-party politics for exclusively short-term advantage, while minimizing the disruptive change co-operation might cause. Heresthetics provides a lens through which to judge these flashpoints of inter-party activity, one focusing in on the processes as well as the outcomes of inter-party case studies.

If ideational and institutional factors weigh heavily on flashpoints of political co-operation, and the elite agents and parties who constitute and conduct these negotiations, it is perhaps counter-intuitive that William Riker – synonymous with an axiomatic and predictive behaviouralism, in which the preferences of actors are fixed, external and universal – should provide the frame with which to understand events concerned with structural and institutional change. Riker posited heresthetics specifically as a supplement to rational choice and institutionalist approaches to political phenomena. It is not all that different to the idea explicit within game theoretical approaches to coalitions that some political actors will miscalculate choices, while others will not (Andeweg, 2012: 201). In a sense, despite negative connotations, 'the art of political manipulation' is just a positive (in both senses) restatement of this rational choice idea: rather than just blunder their way to sub-optimal results within a fixed set of alternatives, creative political agents can also expand their temporal range and strategic horizons, composing new alternatives rather than strategic choices solely defined by those they inherit. Riker's conception of heresthetics was a 'quite conscious attempt to grapple with and transcend the limitations of a narrowly interest-based approach to political behaviour' (Hay, 2009: 278). Heresthetics confronts one of the core historical institutionalist criticisms of rational choice, the assumption of actors as self-interested utility-maximisers with 'extensive (often perfect) information' (Hay and Wincott, 1998: 594). It can be both true within the heresthetical paradigm that actors normally work within institutional norms but that some actors – skilled heresthetic ians – contest these institutional norms if they are not beneficial. As the historical institutionalists Thelen and Steinmo (1992: 10) argued:

> Institutional analysis … allows us to examine the relationship between political actors as objects and as agents of history. The institutions that are at the centre of historical institutionalist analysis … can shape and constrain political strategies in important ways, but they are themselves also the outcome (conscious or unintended) of deliberate political strategies of political conflict and of choice.

Heresthetics is a way of conceptualising and interpreting these political strategies. Put simply, not all political actors possess the requisite strategic initiative and 'craft' (or alternatively the political 'entrepreneurship') to pursue the most effective strategic ends. This thesis does not provide judgements on the success or otherwise of strategic initiatives – or, as Dunleavy (2002: 3) put it, we accept the idea that 'someone behaves "rationally" if they optimise their preferences in a consistent fashion, however ill-advised we may judge their preferences to be'. But heresthetics would also argue that some actors (perhaps

particularly leaders) are more clearly and decisively able to optimise their preferences. So, it is also necessary to look at the upshot: if we accept political actors may disrupt existing institutional equilibria in the pursuit of strategic aims, they may pursue action that most observers (including academics) may see as irrational given existing institutional structures. This suggests that 'exogenous interventions of imaginative individuals' (Aldrich and Shepsle, 2000: 41) can make a difference.

The idea that varying levels of leadership skill can affect political outcomes is a key feature in academic exploration of political statecraft and leadership. The core components of 'political argument hegemony' and a 'winning electoral strategy' speak to how leaders can use available levers and powers to define the political space to their benefit. Neo-institutional approaches and perspectives 'cognisant of historical context, critical junctures and context dependent regularities' (Byrne, Randall and Theakston, 2016: 204) have supplemented the apparent 'stark simplicity' (Bale, 1999: 31) of a traditional, institutional approach to statecraft. Skowronek's (1993) typology of leaders introduced the idea Prime Ministerial behaviour and motivation is defined by stances towards the existing 'political regime', and recent applications of statecraft to British politics include a politician's ability to bend the 'rules of the game' (James, 2012). This hints at what Riker termed, in his exploration of constitutional-making in the US context, moving beyond utility maximisation in fixed institutional contexts to the study of 'creative adjustment' (Riker, 1984: 18).

In any case, rational choice need not be antithetical to attempts to understand the effects of institutions on political behaviour. Norms and culture, long the priority of historical institutionalists and sociological/constructive institutionalists, appear to be assuming an increasingly important role in rational choice analysis. Ferejohn (1991: 285) argued that 'culturally shared understandings and meanings' are crucial to selecting among the many possible strategic equilibria. Thus, when it comes to explaining action, rational accounts, no less than interpretive ones, must appeal to principles external to the individual agents (Ferejohn 1991: 285). There is a clear benefit in grounding theory within the existing assumptions of the current literature on inter-party politics, government formation and coalition negotiation: that British political actors act in their structured rational interest, leaning on the idea actors are led by a desire for office attainment and policy goals, achieved through vote attainment. As Hall and Taylor (1996: 951) argued:

> rational choice analysts can incorporate into their analyses a much more extensive appreciation for the role that human intentionality plays in the determination of political outcomes, in the form of strategic calculation, integrated with a role for structural variables understood primarily in terms of institutions.

That, after all, is where current literature is situated, with increasing movements to understand how theoretical innovation can help explain 'puzzles' of government formation. The idea of interdependence between rational choice and historical strands of new-institutionalist thinking is hardly a new one

(Katznelson and Weingast, 2005). Comparativists are increasingly alive to the idea that rational choice theories of coalition can be bolstered through empirical analysis. It makes sense that these thick, in-depth analytic narratives should be theoretically informed by perspectives that take ideational concepts, like the British Political Tradition, seriously. As the rational choice theorist Hugh Ward (2002: 65) has argued, this means rational choice developing an understanding of 'why individuals have the interests they do, how they perceive those interests, and the distribution of rules, powers and social roles'.

There has been some criticism of attempts to redefine historical institutionalism as some sort of synthesis or compromise between a 'cultural' or 'calculus' approach to empirical questions, instead of a distinctive contribution to transcending the 'unhelpful dualism between institution and intention' (Hay and Wincott, 1998: 953). But the idea that political actors are both agents and objects of history, that 'politics creates policies, policies also remake politics' (Skocpol, 1992, 58), is where a concept like heresthetics can be integrated into historical institutionalist assumptions. This could, as Hay and Wincott (1998: 955) argue for, help in developing a theory 'capable of linking the subject in a *creative relationship* (emphasis added) with an institutional environment'. In the context of inter-party co-operation, that is what the five case studies in this thesis hope to achieve: an understanding of how political actors perceive the possibility for inter-party co-operation, and their own role within it, given pre-existing contexts of institutional assumptions and party structures.

How can heresthetics be used as a tool to understand inter-party co-operation?

Heresthetics can potentially add insight into how political actors, but particularly elite political actors and party leaders, view their political power within the BPT. The BPT assumes a strong top-down centralization that should be relevant when coalition at a national level is being discussed. After all, such negotiations are to some extent inherently about elite bargaining anyway. If we disaggregate political parties into the leadership of parties, their parliamentary elites and the national party at large, this may expose different levels of interest in, and opposition to, inter-party alliances. A separation between leaderships and parliamentary parties in these case studies could be particularly important when viewing the possibility of inter-party co-operation as a heresthetic device. These negotiations are, by their nature, discussed and initiated at a leadership level. This means, in effect, a focus principally on 'elite' or 'high' politics, one in which there are 'fifty or sixty politicians in conscious tension with one another' and where what matters is 'how politicians perceive the public' (Cowling, 1971: 3; Craig, 2010: 459). As Paine (1989: 36) argued, for a political issue dimension to be changed requires both 'the existence of an audience (*the electorate*) that could be persuaded to accept the dimension as relevant', as well as a change within the 'beliefs of manipulated actors (*parliamentary parties*) about that audience (*parties-at-large, and the electorate*)'. In effect, as described above, this would be both a *voter* and *party*-centred approach: persuading voters of the legitimacy of inter-party action, and leaders persuading political parties that voters could welcome inter-party co-operation.

Heresthetical strategies, if the balance of power within parties and systems is key, should be easier to achieve in British politics. That this is not the case, intuitively (and rationally) comes down to strategic incentives. It is clearly not the case that British politicians when they are in opposition, or in a political position where sustaining a single-party majority government appears unlikely, pursue inter-party alliances as a matter of course. Political actors from the two largest parties may emphasize a rational case for the maintenance of a stable two-party system, while also pursuing co-operation with smaller parties. This would involve grounding inter-party politics within the framework of two-party politics, emphasizing continuity and downplaying the long-term erosion of single party government and two-party electoral politics. The temporal horizon of actors here is important but, as Laver (1997: 149) notes, 'the mutual interaction of elections and coalition bargaining generates some very complex strategic analyses'. If the existing dimensions of two-party politics are electorally propitious – if, in effect, the swinging pendulum of two-party politics is seen to be still swinging the way of the larger party often enough – then actors involved may be anxious to defend it. This is something cross-national studies of electoral reform processes have uncovered as important (Renwick, 2010).

Finlayson talks about the importance of rhetoric in 'engendering change through giving us new perceptions of old phenomena' (Finlayson, 2004: 541). Riker (1986: x) positions heresthetics as a fourth addition to Aristotle's core tenets of logic, grammar and rhetoric, concerned with the manipulation of the order of choices and the strategic value of sentences, rather than their truth value (logic), communication value (grammar) or their persuasive value (rhetoric). In the case of political co-operation, both are true – co-operation can conceivably be both a rhetorical signalling, symbolic mechanism to change perceptions, and a way of shifting and manipulating political options and alternatives among competing parties and politicians. The political import of attempts to forge co-operation does not just rest with the formation of agreements in and of themselves, but their impact on the wider strategies of parties. So, whether an agreement is ultimately formalised is ultimately not the whole story. Without contextualizing the intent and purpose of inter-party bargaining, their outcome cannot be properly understood. To categorize cases where inter-party politics was discussed but not initiated as examples of *failure* is to ignore the possibility that inter-party bargaining could be used as a strategic instrument to advance short-term party interests, and that these goals can be achieved through engaging in negotiation but not formal agreement, or by limiting the perceived institutional effects of inter-party action. What may be perceived as a *success* may, on the other hand, lead to not enough, or too much, change in the existing institutional structure. In a majoritarian two-party system, third parties and their leaderships could prioritise a dismantling of institutional rules and norms, which give the two major parties a predominant position; larger parties could grasp hold of inter-party agreements to maintain or hold office, but would not be keen for their party or the electorate to emphasise their long-term significance.

In the messy sphere of inter-party politics actors are, by implication, operating with conflicting political imperatives. Clashing strategic rationalities mean that the instrumental outcome may appear to be two parties working towards achieving mutually beneficial objectives, but the performative function of inter-party negotiations for each party could be very different. There have been various ways to frame and understand different types of heresthetic strategy. Riker (1986: 141-52) split the concept three ways, and differentiated between 'strategic voting', 'agenda control' and 'manipulation of dimensions'. Strategic voting meant securing legislative majorities through voting strategically for particularly measures; agenda control meant the introduction of new issues, or changing the ordering of the political agenda to secure priorities; manipulation of dimensions meant redefining the political situation, creating new salient cleavages which restructure the political environment on more favourable lines for the heresthetician. Another theorist to take forward the heresthetic concept was Jack Nagel (1993), who divided it between 'macro' and 'micro' heresthetics. Nagel bracketed together 'control of the political agenda' and 'manipulation of dimensions' as examples of 'macro' action. Macro-heresthetics were grand, overarching strategies with the aim of preserving legislative and electoral majorities, and shaping specific tactics and practices both inside and outside Parliament. 'Micro-heresthetics' were equivalent to Riker's strategic voting – manoeuvres to exploit parliamentary rules and specific legislative provisions, determining the fate of particular bills.

However, these categories do not get to the heart of why particular forms of inter-party agreement are pursued, and therefore struggle to produce a framework that understands the strategic intention behind heresthetical action when it is clearly interacting with institutions and the written and unwritten 'rules of the game'. As North (2005: 3) argues, "the key to understanding the process of change is the *intentionality of the players enacting institutional change and their comprehension of the issues*". We suggest here an additional way of conceptualizing heresthetics, in the context of inter-party politics in a two-party majoritarian system: a binary categorisation of attempts to *disrupt the existing institutional equilibrium*, and attempts to *defend the existing institutional equilibrium*.

Disrupting 'existing institutional equilibrium'

William Riker (1982) was convinced of the empirical evidence for the link between a two-party system and plurality voting, but suggested the operation of Duverger's Law was the result of an institutional equilibrium and, like all equilibrium, subject to change and contestation. The idea of 'institutions-as-equilibria' is that interactions, and expectations of the parameters of interactions, create structures and formal institutional rules (such as a plurality voting system). Riker chimes with historical institutionalism in his belief that layered accumulative norms sustain institutional arrangements. However, if creating an inter-party alliance subverts the expected behaviour of political parties in the Westminster system, it is possible that the institutional norm of majoritarian two-party politics could be undermined, and cease to be self-reinforcing. As Anthony King argued in 1982, this would mean that change could happen quite quickly, an endogenous and

determinative process resulting in political recalibration. Whether institutional change is swift and abrupt depends on how actors respond, and whether they are 'cognitively aware of the process leading to change, who is aware of it, and how they can institutionally respond' (Greif and Kingston, 2011: 39). So, while the possibility of inter-party agreements can arise due to 'exogenous shocks' – for example, an election result that creates the possibility for inter-party bargaining – actors' strategic responses dictate whether, and if so how, institutions change as a result.

Elite actors representing smaller parties – who are, in every case here, the Liberal Democrats or their antecedents – have a clear strategic incentive to undermine the idea Britain is an innately two-party system. The expectation would be that they will attempt to use inter-party bargaining and negotiation as a means of challenging existing and longstanding institutional rules and norms. This means attempting to portray agreement as part of a wider, long-term shift change in party politics, towards an expectation of inter-party governance. This is likely to be supplemented by attempts to shift institutional rules – particularly changes that will be thought of as more likely to produce indecisive, or non-majoritarian, outcomes. In inter-party negotiations, it is commonsensical that they should see an opportunity to enact changes to the electoral rules – particularly if, as Riker did, actors believe that institutions both structure political competition and are the result of that competition (Aldrich, 2004: 323-4). This involves the conventional heresthetical manoeuvre of using the opportunity to create a legislative majority for constitutional change. As Iain McLean (2012: 8), an advocate of the heresthetical approach, notes 'electoral systems are *obviously* endogenous. They are (invariably) chosen by legislative majorities'. Inter-party discussions are, therefore, a rare mechanism to create this legislative majority, not through changing minds but through reordering the political agenda.

If the negotiation of co-operation was inherently disruptive to the norms of two-party majoritarianism then all five of these case studies would be enough. If the unambiguous formation of co-operation inevitably beget a new style of politics at least two cases here – the Lib-Lab Pact and the SDP-Liberal Alliance – would have disrupted the two-party norm. This suggests while elite-level negotiation may be a necessary condition for co-operation and the pursuit of a more pluralistic politics, it is not sufficient. If the aim is to disrupt the existing equilibrium of two-party politics this clearly has a performative and rhetorical element, beyond the operation of inter-party machinations. Colin Hay (2009) used heresthetics and the illustrative example of King Canute's attempted halting of the tide as a case study in the power of agency (and performative strategic decisions) to affect ideational structures. Hay argues it is credible to see Canute's attempt to part the waves as born not from a belief he could subvert natural structures, but rather him seeking to 'demonstrate something to those watching' – a means to a political end. Hay argues Canute's failed attempt were motivated to subvert his followers':

> overinflated expectations about his powers … a public drama whose form is predicated, and relies for its effect, upon a set of prior expectations on the part of those for whom it is staged, which it sets out to challenge. (Hay, 2009: 274-6)

So, an important distinction here is how an inter-party agreement is framed and what its purpose is, something discussed in each case study at an inter and intra-party level. But the public pronouncements that hang on the negotiations between parties, regardless of their ultimate success or failure, are also important. If co-operation is motivated by an attempt to overturn two-party politics' cultural and institutional underpinnings, there should be clear evidence of attempts to disrupt the material institutions maintaining majoritarianism. This means using co-operation to change institutional rules. But there should also be evidence of an attempt to address ideational structures, and to recalibrate public perceptions to make co-operation beget co-operation through rhetoric and the way co-operation is publicly sold.

Defending 'existing institutional equilibrium'

However, it is possible that inter-party politics could act to reinforce the institutional *status quo*. This could be achieved if rhetorically framed and strategically pursued as a continuation of existing parameters and rules, or as a short-term and exceptional deviation. Understanding how multi-party co-operation could reinforce single party majoritarianism could help answer the question posed to historical institutionalists of when, and how, attempts to change institutions can reinforce existing rules (Mahoney and Thelen, 2009; Riedl, 2016). Rather than redefining the parameters of party politics, inter-party co-operation, through rhetorical processes and strategic manipulation – could act to reinforce existing institutional assumptions. As Nagel (1993: 141) outlined, 'stability occurs when disruptive issues are suppressed, usually through structural constraints or agenda control'. It is possible the disruptive effects of co-operation can be minimalized, a strategic motivation particularly plausible for larger parties with a stake in the maintenance of a predominant two-party narrative. Indeed, this might be the more likely outcome of inter-party flashpoints – the parties that are (instinctively) more likely to pursue co-operation are the larger party, with more influence over both the policy platform and public presentation of any agreement. This could be achieved by painting co-operation as the exception rather than the norm. Bogdanor (2011: 76) spoke of coalition as justified (in popular terms) in times of crisis. This dynamic reinforces the idea that times of stability will involve single-party government and two-party politics. It could be achieved (if the profile of both parties makes this plausible) through utilising co-operation to achieve an electoral recalibration of the centre ground, encompassing the smaller party in a coalition. And it could also be achieved by dampening the prospects of long-term changes in the mechanical as well as the ideational 'rules of the game'.

Heppell's (2013) innovative application of heresthetics to David Cameron's coalition negotiations with the Liberal Democrats in 2010 argues Cameron's strategy encompassed many of these strategic impulses.

Heppell described Cameron's adaptation of 'political dimensions', to achieve a more favourable political environment and position for the Conservative Party through manipulation of the post-election political landscape. Heppell (2013: 273) saw Cameron's co-operation with the Liberal Democrats as an example of party repositioning, aiming to 'construct a strategy that could fix dimensionality to sustain the existing equilibrium in order to retain political stability' (by limiting the extent of constitutional change caused by the coalition), while also forging a realignment of the centre-right by repositioning and redefining the centre ground. Cameron was attempting to dampen down the possibility of rules-based changes. Nick Clegg (2016) felt this was achieved, in part, through Cameron's grip on many of the symbolic institutions over power, later saying that: 'what I hadn't appreciated at the start of government was that the symbols of power are there for a reason: in making the powerful appear powerful, they provide a vital signal to the public'. This projection of Conservative power, through their symbolic control of the key institutions, was matched by internal power within government (Bennister and Heffernan, 2012), both a strategic undermining of Liberal Democratic strength and its rhetorical reinforcement.

The act of coalition was seen not as an outcome of Cameron's modernisation project but a process to achieve it, conforming to a unidimensional view of politics where redefining and maintaining the 'centre ground' is key. The strategic expectation, rather than hope, was that coalition government would lead to a fundamental shift in party politics and the electoral enveloping of the Liberal Democrats. That Cameron attempted to use inter-party bargaining, opening up to coalition to both attain office and retain an institutional framework favourable to the Conservative Party, is a strategic elite-level manoeuvre; that he succeeded in doing so was also a matter of political performance and rhetoric.

This distinction between strategic attempts to disrupt and defend institutional equilibrium have a potentially clear power of classification and explanation. Its application to these new case studies of inter-party politics should be an instructive way of understanding the dynamic interaction of political institution and political agency and strategy, and leads to **RQ2**:

RQ2: Do strategic rationales of actors instigating and negotiating co-operation conform to the framework of 'disruption'/'defence' of the existing institutional equilibrium?

The 'analytical narrative'/case study method

The concept of heresthetics benefits, in part, from the fact it is an empirical and puzzle-led exercise – it is not easy to define, Riker argued, 'other than by examples' (Riker, 1983: 56). In a valedictory article for the *APSA*, Riker (1984: 15) implored future study to look for 'regularities in the way rhetorical positions are established, appeals, for example, to well established references and symbols', which chimes with the prospect of structurally recurrent goals and obstacles within inter-party politics in Westminster, But,

principally, the focus was on historical examples within two-party systems left unexplained by theories of the median voter – not least Riker's textbook example, the electoral success of Abraham Lincoln, in a four-way Presidential contest, in forging an anti-slavery electoral coalition (McLean, 2002: 552-3; Riker, 1986). This is similar to the language used by advocates of the 'analytic narrative' approach (Bates et al 1998: 3-8) when they call for systematic explanations drawn from historical case studies, a methodological logic recently applied on a cross-national basis to puzzles and theories of government formation in Western Europe (Andeweg, 2012). This thesis does much the same. It seeks to examine the existence of institutional and organisational hurdles, and the plausibility of a binary model of disruption and defence, through the production of analytic narratives – theoretically driven case study analysis – of five key flashpoints of co-operation in Britain. But it is first helpful to explain the steps behind analytical narratives, as well as sketching out what this case study led approach can uncover, and what it is well placed to achieve. The main strength of the case study lies in its capacity for depth — its 'detail, richness, completeness, and within-case variance' (Flyvbjerg, 2011: 314). The case study method is a particular way of defining cases and, as John Gerring (2004: 341) has argued, given its utility its methodological reputation and status is in need of being defended and understood. is partially in need of being defended both as a method of theory building and theory testing (Eckstein (1975, 80). The analytical narrative approach provides a way of both testing and creating theory using the case study approach.

Creating analytical narrative of these five cases of inter-party co-operation allows for a layered picture of the 'principal players, their preferences, the key decision points and possible choices, and the rules of game, all in a textured and sequenced account' (Levi and Weingast, 2016: 2). It is a method of historical research that combines deep knowledge of specific cases with an explicit theoretical model (Levi, 2002: 2). This is a way to pursue the value-added aspects of exploring novel case studies, both carving out previously unexplored historical nuance and creating a way to explain the story by uncovering continuity across cases and across time. The creation of historical narratives, and the use of sources and data previously not utilised to examine inter-party politics in these five case studies, is a key contribution of this thesis. The case study method provides a way of analysing these individual cases of inter-party co-operation which is intensive and evidence-rich. But it also requires a theoretical model to provide analytical discipline and purpose and helps us understand causality across these cases, even if it does not necessarily lead to determinative causal propositions. This means explicating and building upon theoretical explanations to create a model that can help us understand what actors are trying to achieve when negotiating co-operation across party lines, and to create empirically driven accounts of political phenomenon that in turn provides new empirical evidence. The case study method allows for the analysis of the specific but also, through an attempt to understand the causal mechanisms that drive the behaviour of actors in these five cases studied here, can also make more general claims about the way the ideational institutions of British politics frame the choices and strategic decision-making of elite political actors.

So each case study here has unique historical properties, is conducted within different political circumstances, and by a variety of political agents. The case study method allows for an exploration of this nuance and complexity and can, for example: draw out the time order and sequence in which events around co-operation unfold; the interaction between different agents from different political parties, and within political parties; interpret the discourse and language used to when co-operation was supported or opposed; and . There is also an inherent focus on agency within the analytical narrative approach – a focus on the behaviour and strategy of key actors, and how they interact – that makes it particularly well suited to understanding the way in which agency interacts with structure, and consequently the way in which continuity interacts with change. The analytical method means that the role of agency can be at once both front and centre of the analysis, while also contextualised and understood within broader frameworks of explanation. The following five chapters (Chapters 2-6) provide these analytical narratives, and apply the theoretical framework outlined here. These are drawn together from archival material, elite interviews, memoirs and diaries, contemporary media coverage, and the existing secondary literature within each case study.

CHAPTER TWO: Churchill and the Liberal Party 1945-51

4 June Winston Churchill delivers an incendiary 'Gestapo Speech', which held a fervent anti-socialist line but also criticised the Liberal Party for 'spurning' a national coalition.

15-16 June Churchill accuses Liberal Party candidates of claiming 'a vote for them is a vote for Churchill'; Liberal leader Archibald Sinclair says his party is campaigning as an 'absolutely independent party'

26 July The 1945 general election result is declared: a Labour majority of 146, with the Conservatives reduced to 197 seats. Liberal representation is reduced to 12 MPs. Archibald Sinclair loses his seat.

3 August Clement Davies is announced as leader (with the official title Sessional Chairman) of the Liberal Party in the House of Commons.

1946

1 September Harold Macmillan calls for a rebranding and renaming of the Conservative Party.

3 October A resolution at Conservative Party conference in Blackpool, calling for the party to take 'uniting all those who oppose the Socialist Policy' of the Attlee government, is roundly defeated.

1947

17-18 May Churchill uses his first public speech following the release of the Conservative Party's Industrial Charter to make a clear pitch for Liberal voters.

27 November Liberal Party release a 'declaration of independence', in response to growing noise about the possibility of a fusion with the Conservatives.

16 December At a meeting of the Liberal Party Committee – which operated as the party's shadow cabinet – a resolution supporting negotiations with the Conservative Party is defeated.

1950

4 February Officially opening the 1950 general election, Churchill attacks the Liberal decision to fight the election across the country, and publicly reveals he had attempted to forge co-operation in 1947

24 February The result of the 1950 general election is announced. Conservative support increases and the Labour majority is cut to 5. Liberal representation continues to decline, from 12 to 9 MPs.

7-9 March Churchill, replying to the King's Speech, suggests the creation of a Select Committee to discuss electoral reform. The 1922 committee strongly rebuffs the proposal.

29 March Churchill creates a working group, comprising key parliamentary elites, to discuss the options for an electoral agreement with the Liberal Party. It meets on two occasions.

1951

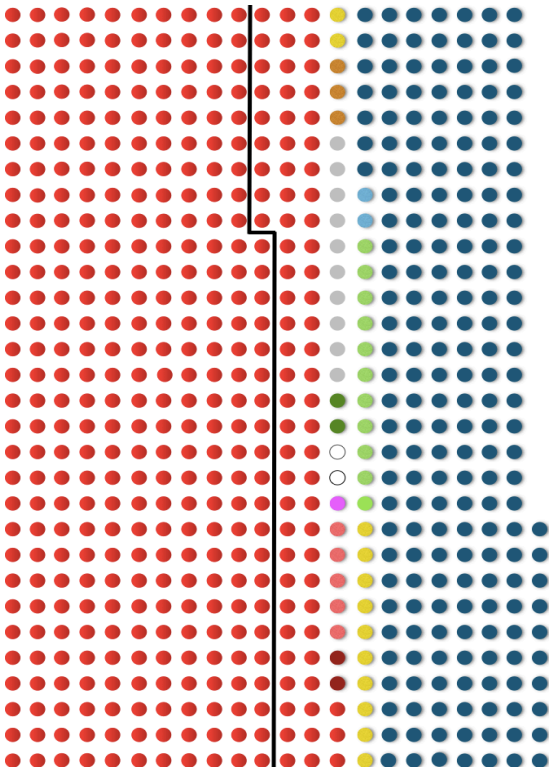
23 March Colne Valley Conservative Party announce they will support the prospective Liberal candidate, Violet Bonham Carter, in a straight Liberal/Labour contest.

15 October Churchill speaks in support of the Liberal candidate Lady Violet Bonham-Carter.

26 October 1951 general election result declared: a 17-seat Conservative majority. Liberal support and representation declines, from 9 to 6 MPs.

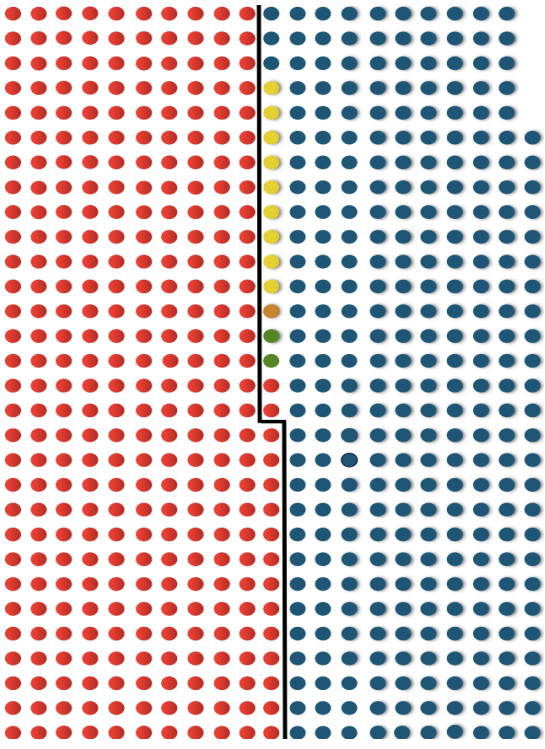
28 October Churchill offers Clement Davies the position of Minister for Education and a place in his Cabinet. Following consultation with senior Liberals, Davies refuses the offer.

Figure 1: General Election 1945, seat distribution in the House of Commons



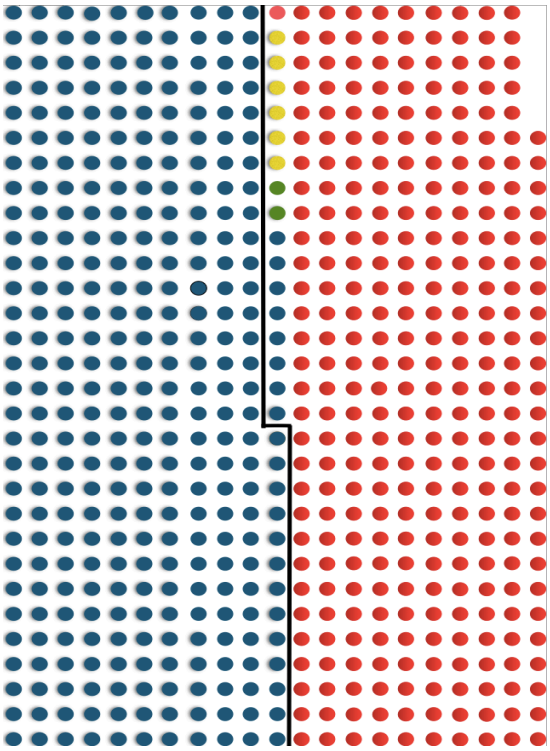
Party	Seats (% of total)
Labour	**393** (61.4)
Conservatives	**197** (30.8)
Liberal	**12** (1.9)
Liberal National	**11** (1.7)
Independent	**10** (1.7)
Ind. Labour	**5** (0.8)
Ind. Liberal	**3** (0.3)
National	**2** (0.3)
Nationalist	**2** (0.3)
Communist	**2** (0.3)
Ind. Conservative	**2** (0.2)
Common Wealth	**1** (0.2)

Figure 2: General Election 1950, seat distribution in the House of Commons



Party	Seats (% of total)
Labour	315 (50.4)
Conservatives	298 (47.7)
Liberal	9 (1.4)
Ind. Labour	2 (0.3)
Nationalist	1 (0.2)

Figure 3: General Election 1951, seat distribution in the House of Commons



Party	Seats (% of total)
Conservatives	321 (51.4)
Labour	295 (47.2)
Liberal	6 (1.0)
Ind. Labour	2 (0.3)
Nationalist	1 (0.2)

'I saw a cartoon the other day of a lion, with its mouth wide open confronting the Liberal Party. On the lion's stomach was inscribed the word 'Toryism'. This was evidently a mistake on the part of the gifted cartoonist. The true word would have been 'Socialism'. They have not only devoured the bulk of the Liberal Party; they have digested it' *Winston Churchill to Clement Davies, 25 January 1950 (CHUR2/64/131)*

'The idea of a small centre group of MPs acting as a moderate, balancing force, able to exert pressure on both the main parties, might continue to attract a substantial minority of the electors – if the role of moderator could be shown to be practicable. The result of the Liberal divisions in the last three weeks has been to suggest that it is not practicable.' *The Times, 27 November 1950: 7*

Overview: Political Context and Heresthetic Strategies

Between 1946 and the formation of his first peacetime cabinet in October 1951, Churchill made a concerted effort to form an electoral arrangement with the Liberal Party. The basis for his efforts was the shifting promise of shared policy principles, a reconstruction of the electoral system, mutually assured short-term electoral benefits for both parties and, with increasing traction as his time in opposition progressed, a belief in the logic, practicality and inevitable implications of an 'Anti-Socialist Front'. The 1945 general election, and Churchill's attempts to define the Liberals while in opposition, suggested the Conservative Party were principally aiming to absorb the electoral identity and support of an institutionally and structurally weak independent Liberal Party. The Liberal identity was clouded by a Liberal schism and their role in the party system was unresolved and uncertain. This made the Liberal Party's political positioning more susceptible to characterisation by competitors, but also lessened intra-party pressure to reach an agreement or accommodation with the Conservative Party.

There was some success in creating localised Lib-Con electoral pacts and, after the general election of 1950, the immediate electoral logic of an agreement became clearer. The Conservative Party's shock defeat in 1945 had been reversed, and parliament was in near deadlock. As the Liberal Party was electorally weakened its role and importance in the arithmetic of the House of Commons was heightened by Labour's thin majority of five seats. But back-channel attempts at an arrangement were constantly rebuffed by leading Liberals (and, eventually, by Clement Davies, the Liberal leader) and diluted by some – though certainly by no means all – of Churchill's own party. The 1951 general elections aw the Conservative Party return with a small but sustainable parliamentary majority. Churchill's offer of a cabinet seat for the Liberal Party demonstrated that inter-party dynamics, rather than simple short-term government formation, was a key driver behind Churchill's pursuit of the Liberal Party.

Assessments of Winston Churchill's influence on the Conservatives' time in opposition, between 1945 and 1951, are principally defined by a striking disconnect between leader and party (Bogdanor, 1994: 90-91; Ramsden, 1995; Bale, 2012: 13-49; Theakston, 2012: 7-19; Heppell, 2014: 11-19). The relative tenacity of Churchill's pursuit of Conservative-Liberal co-operation is therefore surprising, given the limited extent to which Churchill was thought to have strategically pursued much at all within the sphere of domestic party

politics, while Leader of the Opposition. A focus on 'politics over policy' (Addison, 1992: 397) meant, in practice, a continuing preoccupation with foreign affairs, a 'reactive' rather than 'active' strategy to opposition (Theakston, 2012: 10), and delegation of the organisational and policy change key to the party's striking electoral rejuvenation (Hoffman, 1964: 81; Ramsden, 1980: 117-148). Attempts to foster political co-operation with the Liberal Party, as one of Churchill's few concerted imprints on party politics in this period, provide a significant insight into his view of the electoral and political landscape. The concept of Conservative-Liberal co-operation was, as Churchill's biographer Roy Jenkins (2001: 839) put it, the result of 'sensible self-interest combined with an old man's nostalgia' – a seeming merger of strategy and political memory. It also highlighted the limitations of a leader with a broad strategic vision, but without a keen interest in the party management required for its implementation.

As a result, viewing the history of Churchill's period as leader of the opposition through the lens of inter-party co-operation provides a challenge both to perceptions of Churchill as a leader of the opposition and the causes of the Conservative Party's resurgence after 1945. Churchill's party political instincts were widely seen as poor, and he comes near the bottom of historical and political science analyses of leadership in Britain that focus on the arena of party politics (e.g. Clarke 2012). This is in large part because he was widely seen as ineffectual organisationally unsuited (Macmillan, 1969: 41) and uninterested in the minutiae of the role (Gilbert, 1988: 163). The 'clear consensus among historians and contemporaries' is that Conservative recovery can be said to have occurred despite Winston Churchill, rather than because of him (Bale, 2012: 39; Ramsden, 1995: 17; Seldon, 1981: 5; Theakston, 2012: 7).

Key historical analyses of the 1945 general election have centred on four factors as the cause of Labour's landslide defeat: a misplaced belief among the Conservative party that gratitude for Churchill's wartime leadership would reap clear electoral benefits, leading to a failed leader-focused strategy (Lindsay and Harrington, 1974; Ramsden 1999); a feeling the policy of appeasement that the Conservative party had pursued in the 1930s was being punished (Willets, 2005; Wyburn-Powell, 2015); and an inability to embrace and understand the changes brought by the Beveridge Report (Fielding, 1992). There has been less emphasis on the disruptive impact of the reformation of party politics caused by the Liberal Party's collapse, which undoubtedly itself shifted the terms of the political in a way that was difficult to calculate prior to the election. Steven Fielding's (1992: 623-639) analysis of Labour's surge points towards the lack of any plausible vehicle for left-wing liberal votes, and widespread calls for the enactment of the Beveridge Report, as leading to an outcome few expected; Richard Toye (2010: 655-680) has analysed the Gestapo Speech (see p. 40-41 below) principally as an appeal to Liberal votes. The extension of this inter-party framing into understanding the wider tenets of the Conservative party's behaviour from 1945 to 1951 offers a fresh perspective.

Likewise, the focus of historical analysis on how the Conservative Party bounced back from a landslide defeat – winning 213 seats to Labour's 393 in 1945, and returning to office with a slender majority of 17 in 1951 – has centred principally on two areas: the reorganisation of the party machinery (Bale, 2012); and the

recalibration of the party's policy offer towards a 'new' Conservatism – led by modernising figures within the party such as Rab Butler and Anthony Eden – which retuned the party's offer to a new post-war reality (Bale, 2012: 38; Heppell, 2014). This chapter is a challenge to aspects of this analysis, and suggests that the Tory identity was shaped by its interaction with the Liberal Party, which was driven by the heresthetic strategy behind Churchill's leadership, as well as changes to policy and organisation less affected by his leadership. The modernisation of 1945 to 1951 has been variously seen as a mirage, with a great deal more continuity with pre-1945 policy than was often presupposed (Ramsden 1986; Denham and O'Hara, 2007: 172-3).

It was ironic, if perhaps inevitable, that the post-war Liberal Party believed that Winston Churchill wished to destroy them at the same time as, on Conservative benches, he was suspected of nostalgically propping up a dying and redundant political opponent. The truth is that both viewpoints held a kernel of truth. Churchill had a clear and stated desire for a larger Liberal Party, one that continued to be independent and respected in a way that the Liberal Nationals – though 'loyal allies' who should be treated 'properly' – were not (Churchill to Woolton, 2/8/1946, CPA CCO 3/1/63). But Churchill's heresthetic strategy was to consistently reasserted a single-issue dimensionality based on 'anti-socialism' that, as Taylor (2005: 429-463) has convincingly argued, had been successfully utilised by Stanley Baldwin in the inter-war period to marginalise the Liberal Party. Churchill argued 'the two sides of the House are deeply divided by ideological differences … separated by a wider and deeper gulf than I have ever seen before in our island' (Hansard, HC, 7/3/1950 v. 142, c. 154). This strategic divide and device – a reassertion and entrenchment of two-party politics as the party system norm – successfully undermined dogged, but limited, Liberal attempts to define their electoral offering and political identity from out of Churchill's, and the Conservative Party's, shadow.

Despite a chastening defeat in 1945, Churchill was still uniquely placed to impact on the political and national conversation. Although he was 'often absent, and did not always fire at the right target, he was invariably "news" whatever he said or did' (Blake, 1985: 262-3). Churchill's reflexive relationship with grand political rhetoric – the source of much of his political capital, and the cause upon which it was often expended – make him an interesting study of the interplay and comparative efficacy of public rhetoric and private action, when attempting to restrict the choices and paths available to contemporaries and opponents. A biographer has noted that 'the case against Churchill has always been that the rhetoric was mainly for show: a magnificent façade of sham statesmanship concealing the movements and mistakes of a faulty politician' (Addison, 1993: 5). The mistake would be to believe that these two traits cannot be demonstrated at once. Political speech can be grandiose and self-aggrandizing, seemingly magnanimous while also strategically partisan. This interaction between strategy and rhetoric is a key concern for the theory of heresthetics, and Riker puts it as an interaction between manipulation and persuasion (Riker, 1996: 8-9). But Churchill's rhetorical strengths also acted as strategic weakness. Riker argued that rhetorical appeals in political campaigns can constrain heresthetical strategies as well as enabling them – making it

more, not less, easy in the arena of parliament to form coalitions of support at the same time as forging them among the electorate.

Beneath these strategic impulses and real drive to redefine the political choice for Liberal MPs, and the collective choice of the electorate, there was a sincerity to Churchill's belief in the benefits of political co-operation for both parties: he argued to his powerful Party Chairman, Lord Woolton, that 'I am quite sure there is no possibility of a Conservative majority without not only an arrangement about seats, but active co-operation' (Churchill to Woolton, 2/8/1950, CPA CCO 20/1/2). However, if Liberal candidates and votes could not be formally co-ordinated the Liberal Party could be, and should be, subsumed. Clement Attlee gleefully noted this complexity of the Churchill-Liberal relationship was such that often he 'gives her a slap in the face, then offers her a bunch of flowers' (Hansard, HC, 9/3/1950, v. 472 c. 592).

The Liberal Party, and its leader Clement Davies, were principally concerned with the party's continuation. As a result, the aims and long-term strategies of the two parties were often fundamentally conflicting. Conservative and Liberal discord meant there were strong voices both advocating and discouraging an electoral agreement within both parties. Ultimately, dissenting voices won out and attempts to create nationwide electoral co-operation were dropped. Yet, while a pact was not successful, the Conservatives did much to align with Liberals throughout their period in opposition, and the 'Liberal vote' began to act as a synonym for centrist 'floating' voters. Contemporary electoral post mortems in the media in 1945 and more prominently in 1950 focused heavily on the role of the Liberal vote, and which of the two largest parties could successfully attract Liberal voters was 'the subject of eager calculation by sanguine partisans' (*The Times*, 27/2/1950: 5). It was also the subject of significant internal research by the Conservative Party who were, in the end, successful in attracting a large segment of ex-Liberal voters in the elections of 1950 and 1951.

That the Liberal's historic opponents, rather than their successors on the left, were the chief beneficiaries of Liberal collapse is, perhaps, counterintuitive. Butler and Stokes (184-85: 201-2) argued this was the result of the Conservatives' disproportionate accrual of working class Liberal support, caused by two factors. Firstly, the Conservatives' electoral and policy adaptability, with the post-1945 resurgence as a credited example. But, also, a residual and structural anti-socialist feeling based on historical allegiance. It was the second of these themes that Churchill accentuated through his claims to the Liberal Party's lineage, alongside a pronounced 'anti-Socialist' rhetoric that belied the modernisation of the party's policy platform. Although inter-party negotiations did not create national co-operation, inter-party dynamics and an increasing number of ex-Liberal votes did sustain the Conservatives' electoral recovery. The belief of Frank Byers in 1949, then Liberal Chief Whip, that 'there is tremendous antagonism in all sections of the party, especially among the wage earners, to a Tory administration' (*The Times*, 19 November 1949: 4) turned out to be less the case than he might have assumed or hoped.

1945 General Election

Reaching out to Liberals was an intrinsic part of Churchill's attempt to re-structure a political landscape that, after Labour's 1945 victory, was markedly uncertain. John Charmley (2009: 647-50) describes in just three pages 'the aftermath' of the 1945 election as one in which Churchill never regained his political stature. Charmley (2009: 647) argues that:

> Churchill stood for the British Empire, for British independence and for an 'anti-Socialist' vision of Britain. By July 1945 the first of these was on the skids, the second was dependent solely upon America and the third had just vanished in a Labour election victory.

The truth is more complex. From June 1945 and the break-up of the war-time coalition, Churchill adopted an increasingly strong 'anti-Socialist' stance and platform – much to the chagrin of pro-modernisation colleagues and Conservative activists, who viewed a more proactive and interventionist industrial strategy as the key antidote to negative perceptions of the Tory-led government of the 1930s (Heppell, 2012: 12-13; Willetts, 2005: 178). An appeal for 'national unity' and the post-war caretaker government's claim to the label 'National', despite the non-involvement of Labour and independent Liberals, had, besides greatly antagonising Clement Attlee, seemingly been of little electoral benefit in 1945 (McCallum and Readman, 1945: 48; Bew, 2016: 334-36). Churchill's first (infamous) election broadcast framed the contest as 'Socialism versus the Rest', evoking the possibility of 'some form of Gestapo' as a necessary instrument to enact Labour policy. It was an unexpectedly bombastic appeal that 'caused surprise in all parties' (*Daily Mail*, 5/6/1945: 1), and it was far from clear that success lay in this decisive, broad-brush (and, Labour's Herbert Morrison argued, 'crazed') anti-socialist direction (*Daily Herald*, 5/6 1945: 1; Toye, 2010: 655-57). In his criticism of Sinclair and the Liberal Party's decision to leave the coalition, Churchill argued the party has 'yielded to the tactical temptation natural to politicians to acquire more seats in the House of Commons, if they can, at all costs' (Churchill, 4 June 1945). The Liberal Party faced the spurious charge (less true than perhaps the party would have liked) of acting as an effective political force, seeking to effectively maximise their representation and votes.

Ill-conceived or otherwise, the resultant Labour landslide created a feeling that fundamental electoral certainties had been recalibrated towards radicalism and collectivism. Contemporary academic observers queried whether the failure of the electorate to respond to these tactics was 'entirely due to the dispirited mood of the moment, or if it signified in the elector an interest in politics that is both more critical and more intense than heretofore' (McCallum and Readman, 1945: 213). The extent to which the 1945 general election result was a positive endorsement of Labour's vision of social reform and a planned economy remains historically disputed (Hinton, 1983: 169; Fielding, 1992; McKibbin, 2010: 128-139). What does seem indisputable is that Churchill's claim to embody the 'national' cause – associating a depleted caretaker government of Conservative and National Liberals with the wartime coalition – was clearly not the success that, up to election day, had been widely assumed. City estimates of a Conservative majority of between

100 and 150 at the start of the campaign floated down due to 'fears of voter apathy' (*Daily Mail* 5/7/1945: 1), but the assumption within all parties was that a majority was likely. The *Manchester Guardian*'s election day editorial railed against a large Conservative majority of 1931 proportions, rather than the fact of a Churchill-led government (*Daily Mail* 5/7/1945: 1; *Manchester Guardian*, 5/7/1945: 4).

The medium-term effect of Churchill's binary National/Socialist framing, particularly on the Liberal Party, may have been partially disguised by the ultimate failure of 1945. Churchill's incumbency, political stature and much-touted association with 'liberalism' gave him the capacity to define the Liberal appeal, and squeeze the Liberal vote – a strategy clear from his opening campaign address (Hennessy, 1993: 84). A *Daily Mail* (5/6/1945: 1) editorial felt it was 'noticeable that Mr Churchill went out of his way to warn Liberals of the dangers of supporting any but National candidates'. Churchill's belief that there was 'scarcely a Liberal sentiment which animated the great Liberal leaders of the past which we do not inherit and defend' was one that, as Dutton (2012) has noted, 'would become a Conservative commonplace over the next decade'. Criticism for conducting 'the most hateful general election campaign in memory' from the Liberal supporting *Manchester Guardian (*5/7/1945: 4) – who had attempted to foster the idea of non-Conservative co-operation, through their tacit endorsement of the Labour Party – was therefore levelled partially at Churchill's attempt to limit and curtail the 'electoral choice' of voters. This framing of the vote as a clear two-way battle was important: this was the first 'straight fight' between the three parties since 1929. In 1943 debates about the reconstruction of the chamber gave an indication of the extent to which the physical institutions of Westminster impacted on the ideational, and the degree to which, despite various forms of national coalition government operating from 1931, the two-party framework remained in-built. Churchill argued that:

> The semi-circular assembly, which appeals to political theorists, enables every individual or every group to move round the centre, adopting various shades of pink according as the weather changes. I am a convinced supporter of the party system in preference to the group system … The party system is much favoured by the oblong form of Chamber. Logic is a poor guide compared with custom. Logic which has created in so many countries semi-circular assemblies … has proved fatal to Parliamentary Government (Hansard, HC, 28/10/1943, v. 393, c. 403)

The entrenchment of a two-party choice clearly made the Liberal task difficult. Evidence from the Mass Observation study appears to suggest their 1945 result was partially as the Liberal Party was so organisationally weak – their lack of a full spread of candidates was thought to make any claim towards national strength difficult. Indeed, McCallum and Readman (1945: 118) believed the idea the Liberal Party could no longer plausibly claim to be a party of single-party government was crucial, for 'electors like their votes to count one way or another; they do not like to feel that they are casting waste-paper into the ballot-box'. As one Liberal candidate in 1945 recalled:

> The one clear fact was that the choice was between a Labour and Conservative government. Very few people were prepared to vote for any other party without first being assured that the Party or Member, if elected, would support the preferred major party on any major issue. (Thorn and Thorn, 1996: 7)

While a Churchill victory was seen as overwhelmingly likely, the plausibility of a coalition government remained. Gallup recorded support for a 'Grand Coalition' of all three parties at 43% in favour and 43% against in April 1945 (McCallum and Readman, 1945: 16; Cantril and Strunk, 1951). As Liberal leader, Archibald Sinclair swerved hypotheticals about a hung parliament, arguing that 'it would be unwise and impractical to try to decide now what form of government should be constructed, in a parliamentary situation which none of us can accurately foresee' (De Groot, 1993: 224). The Labour left were set against bi-partisanship and although (remarkably accurate) polling was not given much use or weight by the parties and the national press (Eatwell, 1979: 30-31; Pelling,1980: 408; Hennessy, 1993), not all believed the result would be clear-cut – Hugh Dalton saw a hung parliament a s a possibility (Dalton, 1957: 466), and Liberal leader Archibald Sinclair was expecting one (Baines, 1995: 54). Labour pledged that under no circumstances would they join an all-party coalition but Harold Laski, in response to a conference resolution the party should form a minority government if the largest party and 'stand or fall by its Socialist programme', argued that the resolution 'touched on an issue of extraordinary delicacy and complexity' and 'beg(ged) the conference not to tie the hands of the party' (*Daily Mail*, 25/5/1945: 4).

In the event, the principal distinguishing feature of the Labour victory in 1945 from the progressive landslides of 1906 and 1997 lies in the uncoupling of Labour and Liberal fortunes. Sloman (2011) has persuasively set out the case that Liberal failure to ride a 'progressive wave' provides clear evidence that 1945 was a Labour victory born from radical enthusiasm, rather than widespread apathy. Liberal-Labour tactical voting was almost non-existent, supporting the hypothesis that demand for radical social reform was real, but could only be met by Labour. But this rests on the Liberal Party's unabashed progressive programme – effectively fronted by Beveridge and led by calls to 'Back Beveridge', along with acquiescence to wide-scale if not wholesale nationalisation (McCallum and Readman, 1945: 107-08; Sloman, 2015: 159-164) – being part of a plausible bulwark against a Churchill-led Conservative government, but not radical enough for an electorate with a clear preference for a socialist, rather than a progressive Lib-Lab, alternative. However, the Liberals' 'progressive' credentials were far from clear. Stokes and Butler (1969: 251-2) showed throughout the rapid growth of the Labour electorate in the 1920s that ex-Liberal voters, by a ratio of 4 to 3, had turned to the Conservative Party. In the election of 1935 Labour had struggled to attract the Liberal vote. Contemporary academic observers like G.M Trevelyan put the lost Liberal vote as 'one third Labour, two thirds Conservative' (Stevenson and Cook, 1992: 274).

By 1945, the Liberal Party had a newly-developed Churchill Problem, retaining their distance and independence as he tried to 'smother (them) with soft words and reproaches' (*Manchester Guardian*, 5/7/1945: 4). Simultaneously, and much to Sinclair's chagrin, Churchill claimed that 'the Sinclair Liberals

are representing to their electors that they are standing in support of me and are telling their electors that 'a vote for me is a vote for Churchill" (*Manchester Guardian*, 15/6/1945: 6). The Liberal emphasis, from the moment Sinclair opted to abandon the coalition, was to differentiate the Liberal Party from Churchill's Conservatives and the totem of a 'national' cause, and this was a key focus of the party's election addresses (McCallum and Readman, 1945: 141; British Pathé, Sinclair Broadcast, 14/6/1945). The party was forced to defend itself against the twin charges of disloyalty in splitting the 'sensible vote'. And, on the other, railed against the Labour briefing they 'might split the progressive vote, (and) therefore wipe out the possibility of anything akin to the Liberal election programme being put into operation' (Joyce, 1997: 7). But defending themselves against the charge they were a Conservative subsidiary was the principal concern because it was their principal strategic problem.

After the inter-war flux, a two-party norm was embedding itself within British party politics. The Liberal Party's place within this electoral landscape was uncertain. The 1945 campaign was seen retrospectively as a 'watershed election' (Baines, 1995: 49) for the Liberal Party, but it was only following further failure in 1950 that their electoral ambitions were fundamentally recalibrated. Neither during the campaign nor immediately afterwards was the party reconciled to entrenched third party status. Beveridge had campaigned throughout the country as effective co-leader of the party on the grounds he saw anything other than a substantial Liberal parliamentary presence as barely worthwhile, energised by campaign meetings he felt hinted at a national surge (Beveridge, 1953: 347). But within this recalibration was the role of the Liberal Nationals, whose leadership vigorously pursued an anti- 'Sinclair' Liberal line that abandoned the pretence that Liberal and Liberal National forces were only temporarily separated (Rosebery, *Daily Mail*, 28/6/1945: 8). Their leader John Simon performed two functions: acting as an effective attack-dog against the Liberal's insistence upon electoral independence, while also providing a signal and a message that a Churchill-led Conservative government retained a keen interest in social reform (Dutton, 2008: 142-43). On top of this, Sinclair's leadership was problematic for many on the 'radical' wing of the Liberal Party. In July 1944 Sinclair had stated that he wished to stay in a post-election agreement with Churchill, and fight any election on that basis (Egan, 2009: 8). This was an opinion that shifted due to increasing internal pressure from the Liberal Party Council, and the Liberal Party Assembly. The intra-party Radical Action grouping, who had consistently opposed the decision not to fight by-elections during wartime, gained increasing traction. There was significant, if unfounded, suspicion that the party's leadership was gearing up to move towards a Liberal/Liberal National merger and, throughout the 1945 campaign,

> much was said and done for the purpose of putting a shot across the bows of those contemplating a virtual merger with the Lib Nats under the Tories, and needs to be interpreted in that light (Thorn and Thorn, 1996: 8).

The Liberal Party, fundamentally divided, could present a case as an independent party, set apart from Churchill's attempt to align all non-socialist parties under a 'national' umbrella, was increasingly difficult.

1945-1950

Liberal National Party, and the Woolton-Teviot Agreement, 1946-47

As a result, it is unsurprising that the hollowed-out Liberal Party that emerged was vulnerable to a hostile takeover. A distinct, positive liberalism was viewed as increasingly untenable – the Liberal Party's inter-war collapse and decline was accelerated rather than arrested, leaving the party 'on the brink of oblivion' (Dutton, 1992: 425-50). The selection of Clement Davies as Liberal leader was emblematic of the party's myriad strategic problems. Davies symbolised the party's internal incoherence and inconsistencies. Having joined the Conservative-inclined Liberal Nationals in 1931, Davies returned to the party in 1942 to play a key role in advocating Radical Action's attempts to lever the Liberal Party away from the wartime electoral truce (Wyburn-Powell, 2003: 126-27; Egan, 2009: 9).[2] He was chosen due to a dearth of candidates and talent, with the party's representation stripped back to the Celtic Fringe: the fact that seven of the party's 12 remaining MPs represented Welsh constituencies was a key factor in his selection (Wyburn-Powell, 2003: 143). The fact Davies was chosen as 'Sessional Chairman' of the Parliamentary Liberal Party, on the continuing (forlorn) assumption that Sinclair would soon return to the Commons through a by-election, suggested a party shorn of its core identity and leading figures (Wyburn-Powell, 2003: 154; Douglas, 2005: 250-2).

It was fundamentally important that Clement Davies emphasised the continuation of the Liberal Party as the key strategic priority. Davies' emphasis on Liberal independence meant he pursued reuniting the Liberal and Liberal National parties with significantly less enthusiasm than his predecessor Sinclair was likely to have done. Sinclair felt the possibility of Liberal-Liberal National amalgamation would mean 'people would begin to take the Liberal Party seriously again' (Dutton, 2008: 150). The Liberal and Liberal National parties in Scotland and London did sign a compact in the summer of 1946. However, the Liberal's continuing electoral independence was a pre-requisite to any national-level talks. As a result, the negotiations were working at fundamental cross-purposes: Liberal National leader Simon saw the 1945 result principally as indicating the electorate's 'desire to return to a two-party system' (Dutton, 1989: 359) whereas even pro-fusion figures in the Liberal Party like Sinclair saw the strengthening and redefinition of an independent Liberal Party as the sole purpose of talks. Lord Woolton, the Conservative Party Chairman from July 1946, used failing Liberal-Liberal National talks to force Simon and his party into a national agreement, telling Lord Teviot the party had to 'make up their minds at once as to whether they were going to associate with the Liberals, or with us' (Dutton, 2013: 155).

Woolton had been appointed with virtual autonomy over intra-party organisational decision making, with one caveat – that he explore the possibility of amalgamation with Liberals. There was a key tension between Woolton and Churchill here: Churchill argued that the Woolton-Teviot agreement should be used to build

[2] Though Davies did join the Liberal National Party ostensibly for 'left-wing' reasons, believing the 'Simonite' policy to be more economically redistributionist than the 'Sinclair' Liberals

momentum for an agreement with the independent Liberal Party, for 'a party is not a club, becoming more and more eclectic. It ought to be "a snowball starting an avalanche" (Churchill to Woolton, August 1946, CCO 3/1/63/333); Woolton saw permanent Conservative-Liberal National co-operation as sufficient to appease Churchill's desire for a 'United Front', without the need for a national agreement with the Liberal Party. Churchill was largely, and indeed Kandiah (1992: 69) argues deliberately, uninterested in the process and substance of the negotiations with the Liberal Nationals. He believed a Liberal-Conservative agreement was the much greater prize, and made little attempt to give the impression the Conservatives were willing to promote a fair deal for the Liberal Nationals as junior partners (Dutton, 1989). Despite the Woolton-Teviot agreement, Churchill continued to reject requests by Lord Simon to be further integrated into the Conservative parliamentary party, and indeed his shadow cabinet after 1950 (Woolton to Churchill, 9/3/1950, MS Woolton 21/16). Woolton, on the other hand, was key in insuring the Conservative-Liberal National relationship, and consistently viewed the retention of Liberal National support as an alternative to co-operation with the Liberal Party.

Perhaps unsurprisingly, Liberals viewed this dynamic as less a benign club-building exercise, more an existential threat to their continuing existence. The Liberal National Party's lack of leverage was particularly eye-opening. Archibald Sinclair likened the Liberal Nationals to 'a mule, in that they have no pride of ancestry and no hope of posterity'; Herbert Samuel argued that 'the Conservative Party has been nourished and sustained by absorbing in each generation a fresh group of Liberal faint hearts, first the Liberal Unionists, then the Liberal Nationalists' (*Manchester Guardian*, 18/11/1947: 4). This did not have the effect of convincing the mass of the independent Liberal Party of the merits of following the Liberal National lead. Samuel, speaking of the Liberal National-Conservative relationship, noted the:

> process of deglutition has been complete and the process of digestion is very far advanced. We observe these facts as we remember a similar case of the Liberal Unionists in a previous generation, who were swallowed up and disappeared for ever, and we beware accordingly. (*Hansard,* HL, 20/7/1949, v. 164, c. 254)

Andrew McFadyean, a President and later Vice President of the Liberals, wrote to *The Times* in 1949 to argue that 'National-Liberals (sic) have pretty consistently supported the Conservative Party and are a standing warning to the rest of us of the result of that liaison' (*The Times*, 21/11/1949: 8). The way the 'pact' between the parties was negotiated and conducted was brutal, the exploitation of weakness summed up by the Conservative Chief Whip, James Stuart, commenting that he was 'not worried about their complaints: without the Tories, where would they be?' (Stuart to Woolton, 25/1/1947, MS Woolton 21/58).

Conservative Intra-Party Discussion of Co-Operation

In August 1947, Churchill wrote a letter to Lord Woolton urging him to 'do everything in your power to promote unity of action with the Liberals on the basis of an Independent Liberal Party. On this being achieved depends the future revival of Britain.' (Churchill to Woolton, 11/8/1947, CHUR 2/64/19).

Woolton was more than sure that he meant it, for Churchill threatened that 'he would, of course, resign' if he did not achieve his aim (Woolton to Salisbury MS Woolton, 1/6/1950, 21, 73-83). The 'light touch' nature of Churchill's political leadership between 1945 and 1950 is difficult to question. But his rare interventions and actions were often an explicit challenge to Conservative introversion. Churchill's position was weak – Gallup polls commissioned by Woolton had showed there would be a positive effect on the Conservative Party's electoral position, if Churchill was no longer leader (MS Woolton 21/15, 5/10/1949). Chief Whip James Stuart received, and informed Churchill of, the cumulative and near unanimous call from the Shadow Cabinet for Churchill to resign (Stuart, 1967: 146-7). But Churchill's strategy was borne from the fact that his priority was not the contentment or even necessarily the continuation of the Conservative Party, beyond its usefulness as 'a vehicle which would carry and enhance his ideas' (Woolton, 1959: 349). Lord Woolton, his Party Chairman, believed he had 'little respect for party political organisation and regarded it as an instrument that would be ready to serve him whenever he wanted it' (Woolton, 1959: 348).

Woolton's view of Churchill as a non-party man was hardly a controversial judgement. Churchill stood for the Commons under no fewer than five banners. It would have been six if his attempts to transform the Conservative name, post-1945, had come to fruition. Churchill's clearly viewed the party's organisational rejuvenation as important, once praising Woolton by telling him that 'the man who makes the organisation possible is the man who delivers the votes, and he doesn't deliver them by oratory' (Churchill to Woolton, 3/11/1947, MS Woolton 21/43). However, one area that Churchill was insistent upon Woolton exploring was efforts to move towards Liberal-Conservative collaboration, not least as Woolton expressed clear doubt about the plausibility of an agreement with a 'violently partisan and anti-Tory' Liberal Party (Woolton to Churchill, 7/8/1947, CHUR 2/64/21). Churchill felt it important to share his interpretation of the role of the electoral system with Woolton. Churchill forwarded a letter from the Conservative MP Hugh Molson, with a note of approval, that argued for reform to the First Past the Post system given it acted as a 'distortion of the steady political judgment of the electorate'. The need for reform arose, Churchill agreed, from a desire to 'avoid violent political changes which must result from alternative governments of Right and Left' (Churchill to Woolton, MS Woolton 21/5, 20/9/1947). Toye (2007: 39) points out that Churchill's claim to the Liberal creed had been constant throughout the previous twenty years and was employed 'systematically and with much fervour in the final decade of his career'. It is difficult to prise apart a tactical impetus in enhancing the Conservatives electoral support, from a long-term political vision entirely separate from party interests.

Churchill was not alone in arguing for the electoral necessity of attracting moderate support and floating voters and, *ergo*, Liberal support. D.R. Thorpe (2010: 244) argues Macmillan's call at the 1946 conference for a rebranding to 'The New Democratic Party', as the country was 'faced with a new Socialist and Communist menace', was 'music to Churchill's ears'. Macmillan's idea was trailed with much publicity in the weeks prior to the conference, and Churchill's support for the concept was hinted at (*Manchester Guardian*, 19/9/1946: 6). Woolton supported the concept but saw the move as possible only from a position

of electoral strength – in his memoirs he argues he was the driver behind attempts to quash the proposal, 'loyally supported by many who did not entirely agree with me; some of whom have risen to eminence in the Party' (Woolton, 1959: 334-6). Subsequently, Macmillan's idea received a particularly bad reception at the 1946 annual conference. To wide applause, those opposing argued that the name change was 'a proposal by despair out of defeat', and it was 'better to lose 58 seats (the number arrived upon by Macmillan, as caused by split centre-right voting) than to lose their self-respect' (*The Times*, 4/10 1946: 2). The 1922 Committee, with Churchill present (notable and noted, given how irregularly he attended meetings) considered the prospect of a change in the party's name, with the MP Peter Thorneycroft arguing the case that the change would 'make it easier for the Liberals to come together and join in the fight against Socialism' (Goodhart, 1973: 149). Churchill's view was well known and, according to an MP present, the 'meeting broke up, with Sir Winston not entirely delighted by the outcome' (Ibid.)

Churchill was not without support for his position within the parliamentary party: Macmillan was meeting with Liberals, both privately and publicly, to symbolise co-operation and to facilitate the withdrawal of Liberal by-election candidates – notably in the Gravesend by-election of November 1947 (Churchill to Woolton, 7/11/47, CHUR 2/64/61). But those in favour of Conservative modernisation were arriving at different conclusions. Quintin Hogg, later Lord Hailsham and a key figure in the Conservative-Liberal discussions of 1974, produced modernizing policy documents that explicitly sought the support of Liberal figures and, in a letter to *The Spectator* (Hogg, *Spectator*, 21/9/1945), suggested policies he believed held 'no striking difference to the Liberals'. He felt that 'if only the Liberals would come and help we could, together, capture the Conservative Party'. Hogg was also one of just five Conservative MPs, among 111 Conservative and Liberal MPs and prospective candidates, to sign Peter Thorneycroft's modernising call, *Design for Freedom* – a pamphlet that proclaimed the merits of the free market, and explicitly called for centre-right co-operation. Yet both Hogg and Thorneycroft, the two leading lights of the Tory Reform group in the 1945-50 parliament, presented opposing cases to the 1922 committee on a change in the party's name.[3] Thorneycroft argued the case in favour, given the inter-party benefits in promoting Liberal party links; Hogg against, on the grounds policy recalibration should be prioritised (Goodhart, 1973: 149).

While a party name-change was touted in the build-up, the clear message at the 1946 conference in Blackpool was for a renewed statement of policy (Addison, 1992: 393). The creation of the Industrial Policy Committee, led by Rab Butler, was reluctantly conceded by Churchill following the 1946 conference. Upon being given lines on the Charter to read in his 1947 conference speech, Churchill had told Maudling – then a member of the Conservative Research Department – that he did not 'believe a word' of the document (Ramsden, 1980: 114; Howard, 1987: 156). Churchill continued to argue, in the face of calls within parliament for greater policy definition, that 'it is dangerous to prescribe until you are called in' (Goodhart, 1973: 140; Ramsden, 1980: 108). But the fact he signed off on the Charter showed he saw its strategic and

[3] The Tory Reform group was set up with the aim of being 'a kind of Right-Wing Fabian Society, a political laboratory and a power-house of ideas' (Profile, Quintin Hogg, *The Guardian*, 15/2/ 1948, 6)

symbolic import. It was notable that Churchill saw the Charter's symbolic usefulness in pressuring the Liberal Party towards co-operation as 'a broad statement of policy to which all who are opposed to the spread of rigid Socialism can now rally' (*Manchester Guardian,* 17/5/1947: 5). In his first speech following the Charter's publication, Churchill used a Scottish Unionist rally to explicitly link the Charter to the Liberal Party's continuing independence. Just as Toye's (2010: 657) rhetorical analysis of Churchill's 1945 'Gestapo Speech' argues his campaign that year was 'a failed attempt to appeal, in particular, to wavering Liberal voters', so analysis of Churchill's acquiescence to the Charter should not downplay the inter and intra-party significance he saw in it. Churchill used wartime language to evoke the coalition government, arguing for Conservative-Liberal co-operation:

> there is no reason why we should not be what was called in the war co-belligerents, or why reciprocal services of goodwill, courtesy and mutual aid should not be interchanged whenever there is an honourable and sincere agreement on fundamental principles. (*Manchester Guardian,* 17/5/1947: 5)

Liberal Intra-Party Discussion of Co-Operation

The Liberal reaction to the Industrial Charter could hardly have better augmented Churchill's framing. Clement Davies argued the Industrial Charter was 'a copy of parts of the Liberal industrial policy issued as long ago as 1928' (*Manchester Guardian* 18/5/1947: 5). As Macmillan noted: 'the Socialists are afraid of it; Lord Beaverbrook dislikes it; and the Liberals say it is too liberal to be fair. What more could one want?' (Thorpe, 2010: 248). Clement Davies consistently warned of the 'Tory spider' trying to capture Liberal votes (Wyburn-Powell, 2003: 164). The principal object following the general election was the rejuvenation of the Liberal Party's internal organisational standing and strength. Beveridge argued that 'any kind of election pact with another party means the end of Liberalism for all time', with the urgent need instead to 'rebuild a third party' (*Manchester Guardian*, 18/11/1947: 6).

It was those most deeply invested in the rejuvenation of the party's organization – figures such as Philip Fothergill, Frank Byers and Edward Martell (Douglas, 1971: 250) – who expressed opposition to a pact to Lady Rhys-Williams, the co-ordinator within the Liberal Party for the *Design for Freedom* document. There was some initial debate about how to receive Rhys-Williams and Thorneycroft's initiative. But, ultimately, the Liberal Party Committee – set up in 1944 as a forum for party opinion, and used as a *de facto* shadow cabinet by Davies – issued a statement to candidates telling them the document was not 'a prelude to any movement for a right-wing alliance or agreement or understanding' (*Manchester Guardian*, 19/2/1947: 6). Evoking the idea that Liberals supporting cross-party co-operation were repeating old mistakes, the Liberal MP Emrys Roberts argued *Design for Freedom* was 'the greatest act of sabotage to the Liberal Party since 1931' (Douglas, 1971: 253).

Rhys-Williams kept in contact with Churchill throughout attempts to construct support within the Liberal Party for co-operation, and Churchill forwarded at least some of this correspondence to Lord Woolton. In the early months of 1947, the idea of an agreement appeared to gain some traction within the Liberal Party, though the party's headquarters remained firmly opposed. Violet Bonham Carter emphasised the rationale of institutional change and the possibility of Proportional Representation for the 'big towns' could be 'the means through which it could be possible to persuade some recalcitrant Liberal leaders'; equally, she was 'very much afraid of sinking into the undignified position of the Liberal Nationals' and the possibility of the dilution of Liberal independence (Rhys Williams to Churchill, 20/4/47, CHUR 2/64/4). Rhys Williams' canvassing of the elite of the Liberal Party appeared to show near-universal support for a pre-electoral agreement – with 'only the mad ones remaining obstinate' (Telephone Conversation, Rhys Williams 17/4/47 CHUR 2/64/7). Rhys Williams' belief in growing pressure towards co-operation was optimistic: *Liberal News'* (14/3/1947: 2) editorial reaction to *Design for Freedom* was 'Design, for what?'. Rhys Williams believed Philip Fothergill, the Liberal Party Chairman, was 'isolated' in opposition to co-operation. But the main news to emanate from the Liberal Party Assembly of April 1947 was an emergency motion proclaiming the party's independence. Fothergill defined the party as a bastion between 'subtly organised Communism, and Fascist influences at work in the Conservative Party', an appeal that was received 'rapturously' (*Liberal News,* 2/5/47: 1). Partially, this was blamed on a lack of strategic leadership given there was 'not one of them in the Liberal leadership with the pluck to make a move' (CHUR 2/64/43 7/10/1947). Ultimately, in December 1947, a Liberal Party Committee Meeting voted on a motion to enter in to negotiations with the Conservative Party – and was defeated by four votes among (approximately) 18 attendees (Rhys Williams to Churchill, 18/12/1947, CHUR 2/64/73).

While attempts to co-operation clearly did not gain much traction, Churchill continued to lace his parliamentary rhetoric with language that forced Clement Davies to define his party in relation to the Conservative Opposition. The introduction of an Iron and Steel bill in 1948 (legislation eventually postponed until 1951) was painful for the Liberal Party – while Davies opposed the measure, parliamentary colleagues, including Megan Lloyd George, wanted to support the bill subject to further amendment (Wyburn Powell, 2003: 171). Churchill asked Davies to address a private meeting of Conservative MPs on the subject, worked with him on aspects of the bill and, in the Second Reading debate, self-referentially noted that 'I used to say in bygone days, and I repeat it gladly now, "Socialism attacks Capital, Liberalism attacks Monopoly' (Hansard, HC, 16/11/1948, v. 458, c. 223). Churchill felt contentious measures of nationalisation would unite the two parties: he predicted to Woolton that the nationalisation of Steel would mean 'all this (Lib-Con co-operation) will come to an issue in 1948, and it is my belief that we shall all be together in one line' (Churchill to Woolton CHUR 2/64/19, 11/8/47). Churchill clearly felt the increasing possibility of electoral defeat would force the Liberal leadership's hand, arguing it was therefore 'better to

let things develop in a natural way' (Churchill to Rhys Williams, 1/11/47, CHUR 2/64/45). Ultimately, Churchill claimed with some truth in February 1950, during the general election campaign, that:

> Nothing would have given me greater comfort two or three years ago than to have made an honourable and friendly arrangement with all who hold the Liberal faith, which would have enabled all true Liberals and Conservatives to work together as separate and independent parties… but when overtures were made we were repeatedly spurned, and mocked for our efforts (Churchill, 4/2/1950)

The 1945-50 parliament saw the institutional adjustment from a three party to two-party system. Clement Davies' election alarmed those on the right of his party who feared a drift 'into the Labour fold' (Sloman, 2015: 169), and who were united with Churchill in viewing Davies as lacking both intellectual clarity and political competence. The malleability of the Liberal Party lay in the fact it was a new party born out of the contested embers of the old; Clement Davies, in exasperation, privately commented that the Liberals were 'a number of individuals who, because of their adherence to the Party, come together to express completely divergent views' (Graham Jones, 1984: 414).

This was epitomised by the antagonism between Megan Lloyd George and Violet Bonham Carter, the daughters of Lloyd George and Asquith. Lloyd George was a radical left MP and Deputy Party Leader, who defected to Labour in 1955; Bonham Carter was the Party President, in favour of Lib-Con co-operation. Bonham Carter wrote to Lloyd George towards the end of 1948 as efforts to produce co-operation were coming to a head, and emphasised the key strategic difficulties for the Liberal Party: its ideological split and weakness 'what can a Party of 10 do? Containing at most 4 'effectives'?? (& even these not always agreed on major issues?); its structural problems as a third party '3/4 million new votes could only give us at most 6 seats. Meanwhile what is going to happen to the 10 we've got?'; as well as calls for reform, couched in the language of long-term institutional change 'the only condition which will ensure the ultimate survival of a 3rd Party in this country is Electoral Reform, & in saying this I'm thinking ahead – far beyond the next General Election' (Bonham Carter to Lloyd George, 17/11/1947, NLW MS 20475/1368). But there was also throughout the parliament a suspension of electoral reality, and a belief that, as *Liberal News* put it, 'half a dozen good by-elections will create the confidence in our cause that will be worth literally millions of voters when the General election comes'. Co-operation was, as Churchill described it, 'a difficult road' (Telegram, CHUR 2/64/100 30/11/47). But it was only following the 1950 general election that the Liberal Party felt they reached a fork in the road.

1950 General Election

To counter the idea that voting Liberal was futile, and to form the perception of an alternative government, the party's key strategy post-1945 was maximising the total number of Liberal candidates in constituencies across the country. This 'broad front' strategy was both a reaction to a new structural environment and a proxy for continued independence. It was organisationally successful – the call to fight on the 'widest

possible front' had meant the party expanded impressively – but the electoral effects were chastening (Cook, 2010: 131). Clement Davies had been pessimistic about his own prospects of re-election in February 1950, and the decision to insure with Lloyds of London the loss of up to 250 deposits showed an understanding of their national fragility.[4] Publicly, until January 1950, Herbert Samuel mooted the possibility of a Liberal minority government following an indecisive result (*The Observer,* 29/1/1950: 4). The 1950 manifesto's claim to offer 'the opportunity of returning a Liberal Government to office' was hardly David Steel-esque bravado. But it did show, along with the consistent unbridled optimism of the *Liberal News* that, for many in the party, the organizational disintegration of the Liberal organization that occurred after 1950 was relatively sudden.

Churchill's early speeches in the 1950 election campaign showed a determination to hoover up Liberal support. The Conservative Party's manifesto document, *This is the Road*, was not drafted explicitly with Liberal policy overlap in mind. However, Churchill rejected the Conservative Research Department's foreword to its precursor document *The Right Road For Britain,* writing his own to argue the document spoke for 'the spirit of liberalism' (Ramsden, 1980: 140). As the *Manchester Guardian* (6/2/1950: 4) sympathetically noted, the election's dynamics 'put peculiarly heavy tasks on a third party … (for) the centre of gravity within the Conservative Party has, on paper at least, shifted a long way to the Left since 1945'. Churchill rallied against a 'very small and select group of Liberal leaders who conceive themselves to be the sole heirs to the principles and traditions of Liberalism'. This was a broad critique of the Liberal Party's claim to offer a distinct electoral offer. Conservative Central Office was aware of Liberal target seats – though estimates over-estimated Liberal success in two seats, while incorrectly forecasting Liberal defeats in three, including Clement Davies' Montgomery constituency (Piersenné Memorandum, CHUR2/64/150, 10/1/1950). On an individual constituency basis the Liberal Party posed little direct threat. The interaction between the two parties instead was about the extent to which Liberal voters could be integrated into the Conservatives' electoral coalition.

Churchill was seeking to isolate Clement Davies and saw inter-party co-operation as a means of sharpening cleavages within the Liberal Party. Churchill publicly noted Violet Bonham Carter and Archibald Sinclair were excluded from the Liberal's election broadcast in 1950 and, with destructive kindness, Churchill offered two of the five Conservative spots to them, on the grounds both were sufficiently 'anti-Socialist'. This was a gesture grounded, at least in part, in sincerity – he thought they had been unfairly side-lined as big hitters and personal friends. It posed the question to Clement Davies of whether more exposure (and implicitly, more seats and votes further down the line) was worth the sacrifice of Liberal independence. Churchill's choice of Bonham Carter and Sinclair underlined (and deliberately exacerbated) the seemingly unresolvable tensions in the Liberal Party. In earlier drafts of his invitation, which Churchill was persuaded to retract, Churchill referred to a 'Clement Davies Group' within the Liberal Parliamentary Party as being

[4] Eventually costing the underwriters £25,000, as the Liberals went on to lose 311 deposits.

responsible for promoting the 'extraordinary policy of four hundred dummy candidates, in the hope of splitting votes' (Churchill Draft Statement, 30/1/1950, CHUR2/64/110). Although Churchill wished to create the impression of Davies and the parliamentary leadership as detached from nationwide Liberal feeling, it was telling that Bonham Carter principally feared the charge she was 'a Quisling, a Tory puppet, a ventriloquist's doll', and privately she spoke of her concern about letting down the Liberal 'rank-and-file' (Bonham Carter and Pottle, 2000: 28-29).

The most public form of Liberal frustration with the tactics of the Conservative Party during the 1950 campaign was what they saw as a deliberate misappropriation of the word 'Liberal' in the candidatures of Tories and their recently reaffirmed electoral partners, the Liberal Nationals. Davies was frustrated by at least four newly created associations were christened 'United Liberal and Unionist Associations', giving no hint that this involved only Liberal Nationals, despite the continuing presence of an independent Liberal Party in these areas.[5] It was clear Churchill and Woolton viewed the mixed nomenclature of these associations to be a positive thing: Churchill had suggested, in late 1948, that the 'most impressive' list of constituency names should be published (Churchill to Woolton, 12/12/1948, CHUR 2/64/86). They did not need to bother. Instead, Clement Davies was prompted to write a public letter to Churchill, published in *The Times* (which also reported that solicitors had been consulted), protesting this 'unworthy subterfuge'. Davies asked whether 'it is too much to ask that the Conservative party should fight under its own name, or at least one which does not clash with that of another Party recognized throughout the world' (Clement Davies to Churchill CHUR 2/64/140-42; *The Times* 24/1/1950). This clearly continued to rankle after the election and, in his response to the King's Speech of 1950, Davies attacked the fact that, on ballot papers, there had been 'Liberal-Unionists, National-Unionists. Liberal-Conservatives and Conservative Liberals – in fact, the Conservatives have done their very utmost to make the fullest use of the name Liberal' (Hansard, HC Debs, 7/3/1950, v. 472, c. 156).

Churchill's response – aired publicly via *The Telegraph* – was both insouciant and lethal. Firstly, he thanked Davies 'for writing to me amidst your many cares', before going on to provide an exposition of the decline of the Liberal Party's strength since 1914 (which required a briefing to make sure he got the exact figures right, despite being among their number at that stage of his political career (Memorandum, undated, CHUR 2/64/131)). Churchill pointed out both that Davies had been a member of the National Government, a source of some intra-party difficulty for Davies as well as a swipe at Liberal differentiation, and went on to argue that – by fighting the election on as broad a front as possible – the Liberals had committed to 'a policy of vote-splitting on a fantastic scale' (Memorandum CHUR 2/64/130). Churchill's strong anti-Liberal position led Conservative candidates reliant upon Liberal votes in Con-Lab seats to implore him, despite 'Liberal stupidity', to 'sound a note of regret, rather than one of antagonism' at the lack of a formal inter-party agreement (Gibson Watt to Churchill, 8/2/50, CHUR 2/64/156).

[5] He cited Dunstable, Kirriemuir, North Angus and Torrington (Davies to Churchill, 23/1/1950, CHUR 2/64/140-141)

The two parties ultimately did not come all that close to forming a national agreement, and had drifted into increasing conflict by the 1950 campaign. Given that, the exception of a localised co-operation agreement between the Conservative and Liberal parties in Huddersfield is striking. The circumstances and context of Huddersfield sheds light on why it was difficult to replicate on a national scale, and the way it was discussed by both parties provides an indication that they wished to put different symbolic weight on the agreement. Firstly, there were clear localised dynamics conducive to an inter-party agreement. Evans and Taylor (1984: 261) argued the local political culture of Huddersfield was important, given the 'locally dominant 'image of society' was of an interdependent whole in which conflict was a product of self-interest, obduracy and ignorance'. The towns also had a self-image as nonconformist Liberal strongholds, in which the perception of Liberal strength was resilient in the face of the party's structural electoral decline. And, furthermore, there was a social cohesion between Conservative and Liberal elites that, by January 1950, was certainly not in evidence between the national Conservative and Liberal hierarchies. There were clear and instructive differences in the way both parties wished this localised co-operation to be framed in the national press. While welcoming co-operation the Liberal Party were quick to state there was 'no pact, no arrangement, no bargain', pre-empting comparisons to the National Liberal Party (*Manchester Guardian*, 14/1/1950: 7); Conservative Central Office, on the other hand, was clear it was an 'anti-Socialist front', and a 'reciprocal arrangement' (*Manchester Guardian*, 17/1/1950: 8).

March 1950-October 1951

Conservative Intra-Party Discussion of Co-Operation

The Liberal candidate in Huddersfield West was one of nine Liberal MPs returned in the 1950 election, and the Conservatives fell short with a Labour majority of six. Constituency-level analysis on the effect of Liberal intervention found a Liberal candidate predominantly split the Labour vote in urban constituencies, and the Conservative vote in rural areas (Piersenné Memorandum, The Liberal Vote 15/3/50, CHUR 2/64/193). It is perhaps no surprise, therefore, that the idea of a mixed system of proportional representation in urban areas, and the Alternative Vote in rural areas, was gamed and analysed by the Conservative Party. The effects of both, either with or without further boosting through a Lib-Con pre-electoral coalition, were beneficial to the Conservatives – 'eating into the Socialist blocs' in urban areas (Macmillan and Catterall, 2003: 5/10/1950, 21), and consolidating Liberal preferences into second preference votes for the Conservatives. Calculations showed Conservatives would gain 18 'county' seats under the Alternative Vote from Labour if the Liberal vote split as Gallup polling showed, and 69 if Liberal votes translated wholly to the Conservatives (Memorandum, 'Application of Second Ballot to Minority Seats', Piersenné, 13/3/50). Surveying the Leicester North East by-election in September 1950, Macmillan noted that he felt the benefits of an alliance could be augmented by the Conservatives 'offer[ing] proportional representation in the big cities in exchange. It could do no harm and It could do good'

(Macmillan and Catterall, 2003: 5/10/1950, 21)'. He also felt that the relationship between the two parties in non-proportional seats could be additive, noting:

> There is a great difference between the mere non-intervention of a Liberal and the active support of the Liberal Party. If we could get this we could win the general election. Without it, I fear there are as many places where there being no Liberal candidates will injure us as there are constituencies where it will help us. (Ibid.)

This was clearly the interpretation of the electoral landscape that Churchill subscribed to, and he told Woolton that practical co-operation between the parties was needed given the clear short-term electoral challenge (Churchill to Woolton, 2/8/1950, CPA CCO 20/1/2). Duncan Sandys, founder of the European Movement grouping that had worked with prominent Liberals (as well as being Churchill's son-in-law) appeared to follow the same logic. Sandys noted that, for a comfortable Conservative-friendly majority, the Conservatives needed Liberal co-operation in twenty constituencies if the Conservative vote remained static. He named 13 examples of seats, noting a much larger list of 66 constituencies could be produced where the Liberal Party had polled higher than the gap between the two big parties (Sandys Memorandum, undated, CHUR/2/64/212-6). There was, however, little pondering on whether the pact would be additive and eat into Labour support, or subtractive and detrimental to the possibility of joint constituency gains.

Throughout, a divide existed between those in favour of absorbing the Liberal Party wholesale, and those who were more in favour of a co-operative agreement: Lord Woolton and his effective deputy, the General Director Stephen Piersenné, believed a mass exodus from the Liberals and a Liberal National style 'arrangement' possible; those such as Butler who were in favour of promoting proportional representation, 'took it for granted throughout that a Liberal Party would be in existence for some time ahead' (Wager, 2017: 120). Woolton told Macmillan that 'the less we talk about making arrangements with the Liberals the better - it only flatters them' (Woolton to Macmillan, 6/5/1950, CCO 20/1/2) and told Churchill that Clement Davies had 'vastly over-estimated his following in the country' (Woolton to Churchill, CHUR 2/64/150). But Churchill, on 29 March 1950, had set up a five-man study group with the express purpose to 'examine any possibilities that may exist in improving the relations of the Conservative and Liberal parties', and taking advantage of the renewed enthusiasm for co-operation. It contained three out of four of what Bale (2012: 32) calls 'the inner shadow cabinet' – Macmillan, Butler and James Stuart – and excluded those such as Salisbury and Bracken who had explicitly voiced their opposition to party name changes and Liberal co-operation. Churchill chose Butler, who he knew was in favour, to chair the committee.

While the committee had been formed in a meeting which Woolton was notably absent, Churchill clearly felt he had no choice but to give Woolton full access to its deliberations (Salisbury to Woolton, 1/10/1950, MS Woolton 20/128-131). Woolton saw his role as checking the enthusiasm for formal co-operation. In the first meeting of the committee, in which he was present, Woolton argued the party should 'throw the doors of constituency associations open to Liberals', but also argued the undesirability of entering into

'deals' and suggested they should examine electoral reform as they did any 'points of difference, in the spirit of a general appeal for unity'. In the second meeting of the four core members, in which Woolton was absent, there was a consensus that a party-led enquiry (and they had in mind a Chair in favour of co-operation) into electoral reform had two merits: persuading the party-at-large that electoral reform was not being 'put upon' them by those in favour of reform, as well as signalling to the Liberal Party who would be 'comforted that the subject was being honourably examined' (Questions Arising Between Conservatives and Liberals, 15/5/1950, CCO 20/2/1). Butler's summary of the meeting also suggested the 1922 Committee would be too leaky to be a forum for discussion – any arrangement would need to be agreed, then offered wholesale rather than being discussed within the parliamentary party.

The dynamic between Churchill and Woolton was key to explaining discussions around a Con-Lib agreement. Churchill believed in the symbolic value of reaching out to the Liberal Party. He placed the Liberal Party's electoral showing at the heart of his reply to Attlee's King's Speech of 1950. Churchill simultaneously called for a Select Committee to examine electoral reform while also attempting to pre-empt and delegitimise the Liberals' relative power: calling for 'regard for national rather than party interests', and against 'petty bargaining' and the influence of smaller parties on the grounds that:

> we do not wish to emulate some foreign Parliaments where small parliamentary parties are able, by putting themselves and their favours in the balance, to sway the course of considerable events (Hansard, HC, 7/3/1950 v. 472, c. 144).

Yet he also argued the 2.6 million Liberal voters were 'voting upon a strong tradition', and appeared to allude to the Liberal Party when he argued that the new parliament, fresh from facing the electorate, was a 'more potent body than the mere numerical aggregate of its parties suggests' (Ibid). In essence, this was a call for co-operation on the grounds of mutual co-existence: he privately described his strategy as 'live and let live, neither set out to destroy the Liberal Party, nor build them up' (Salisbury to Woolton, 1/10/1950, MS Woolton 20/128-131). The Conservative parliamentary party, who continued to be largely opposed to electoral reform (*The Times* 3 May 1950: 6) but two days following the King's Speech debate Churchill defended it in front of the 1922 Committee and, in the view of Conservative backbencher, made:

> a somewhat ineffective defence of his ill-considered proposal … it was clear the majority of people in the room were also opposed to it. Clearly this upset Winston terribly and for a moment I thought he was going to threaten to resign the leadership … it will cause a lot of trouble in the Party, Winston Must Go is already being whispered. (Ball and Headlam, 1999: 622 (9/3/1950))

Woolton argued that political gravity would draw Liberals to the Conservative Party, and urged Churchill to 'be patient for a while, and I think we will get what we want' (Woolton to Churchill 12/5/1950 221), believing that 'spontaneous constituency level agreements' would only occur if 'those of us who are

occupying important positions were to leave the matter alone for a while' (Woolton to Teviot 23/9/1950, MS Woolton 25). Woolton told Butler and Churchill that he would begin a discussion with Clement Davies about the constituency-level co-operation, but did not do so (Butler to Bonham Carter, 3/8/50; Howard, 1987: 264). There was a difference in perspective: Woolton saw a slow drift caused by the Liberal's organisational decline as the best route forward to soak up Liberal support, while for Churchill the public, performative embrace of the Liberal Party was pivotal.

This power struggle was well known. As an editorial in the Lib-Con hotbed of co-operation, the *Huddersfield Examiner* (8/5/1950: 8) – edited by the pro co-operation, former Liberal President Elliot Dodds – put it: 'the prospects for an understanding between the two parties … appears to depend on whether the direction of Conservative strategy is to rest with Mr Churchill or Lord Woolton'. In simple terms, this was a distinction between a party organisation concerned with intra-party discontent and cohesion, and elite politicians concerned with gaining and retaining office. This was an organisational dynamic exacerbated by the idiosyncrasies of a party leader detached not just from his parliamentary party but also from many elite-level colleagues beyond his core circle: Churchill claimed not to remember the names of some of his younger members of cabinet (Wyburn Powell, 2003: 266). While previous attempts to get rid of him as leader had receded, and both contemporary and historical opinion was that his performance had improved as the parliamentary battle heated up, he was still lacking support on negotiations for co-operation with the Liberal Party: Lord Salisbury argued he had 'not been straight with his colleagues', who felt Churchill, in the weeks following the agreement and his comments in parliament, was attempting to force it through without consultation – a tactic that was 'apart from anything else, likely to impair still further Winston's position in the party; and that is not good as it is' (Salisbury to Woolton, 1/10/1950, MS Woolton 20/130).

Churchill argued he was 'getting a good deal of support in the course I am taking' (Churchill to Howard 204 13/4/50). But he was clearly wary – following the 1922 Committee meeting – that lack of support in the party for an arrangement with the Liberals could kill the idea stone dead: the suggestion from a Conservative candidate and Liberal defector for a resolution in support of negotiations, at a meeting of the Central Council of the National Union, was rebuffed on these grounds (Ibid.). Indeed, a motion against Proportional Representation on the grounds it 'would wreck the two-party system on which our Parliamentary government is founded' was carried at the meeting (Central Council Annual Meeting Agenda, 29/4/50, CHUR2/64/180). There was also a sense among many Tories that the internal contradictions and difficulties were tearing apart the Liberal Party's electoral and organisational coalition – a survey commissioned to focus explicitly on Liberal voters found that 'Conservatism appears less abhorrent than Socialism to the Liberal voter … this distinction, however, becomes less obvious at Party Executive Level' (July 1950, Public Opinion Summaries, CCO 180/2/3). Woolton encouraged area Chairman Reports on the Liberals to be compiled and presented to Churchill at the Party's Blackpool Conference in 1950, and the idea of Liberal co-operation was near universally panned. The expectation was that the rival party would soon collapse: the London Area Chairman representative in arguing that 'the Liberal Party in London is

dying and, broadly speaking, is already too weak to matter' (Blackpool: Area Chairman Reports, The Liberals, CCO 20/1/2).

Liberal Intra-Party Discussion of Co-Operation

After the result of February 1950, senior Liberals, including the previously anti ex-leaders Lord Samuel and Lord Sinclair, began to warm to the idea of Conservative-Liberal co-operation, and informed Rab Butler of their change of position (Butler to Churchill, 3/5/1950, CHUR 2/64/222). Certainly, there was a feeling a broad front strategy, fighting as many constituencies as possible and portraying the party as a truly national force, had been tested to failure. Lord Reading, a key opponent of this strategy, resigned the party whip and argued the 'attempt to hold the balance between the two main parties' as a truly third force in the party system 'is calculated by all the precedents of recent political history to lead to ultimate destruction' (Reading to Samuel, 5/4/1950, MS Woolton 20/17). What was clear, even among those in favour of an agreement, was that electoral reform should be pivotal. Some Conservatives, even those sympathetic to Liberal demands, felt electoral reform could be fudged. Macmillan felt that 'in the event of a Conservative-Liberal alliance, or entente, coming into being, the Liberal demand for electoral reform would, in fact, become much weaker' (Macmillan to Woolton, 21/4/1950, CCO20/1/2). Equally, Butler felt the prospect of electoral reform had such low support within the Conservative Party that he told Bonham Carter that, if pressed, it would get 'so resounding a negative answer as would do us all harm. I am particularly anxious not to bring the matter to the front for the time being' (Bonham Carter to Butler 1/8/1950 In: Howard, 1987: 244). Intra-party concerns for pro-merger figures meant they were less sympathetic for the clear need for a statement on electoral reform, if negotiations were to gain traction. But Bonham Carter was clear that 'the absence of any reference to electoral reform will hit every Liberal in the eye and they will draw the conclusion that the battle has been lost' (Ibid.).

It was around this period, at the start of May, when Davies was most clearly in two minds, moving from 'an attitude of co-operation with us to one of hostility to any negotiations' (Butler to Churchill, 3/5/1950, CHUR 2/64/222). In response to a push from Woolton to secure further defections by highlighting nine areas of Liberal-Conservative policy overlap – and again bringing up the spectre of the Liberal National's deal in 1947 – the Liberal leadership was prompted to make a public statement pronouncing the party's independence. As *The Times* (3/5/1950: 6) noted, the Liberal Party Committee's statement pronouncing independence seemed 'sufficiently non-committal not to rule out the possibility of co-operation with the Conservatives'. However, institutional functions of Westminster continued to squeeze the party and make its claim to act as a bold, independent and cohesive counter-weight to the two main parties, such a large element of Clement Davies' broadcasts in 1950, increasingly difficult. As focus on the machinations of parliamentary votes was increased by close parliamentary arithmetic. Liberal divisions and splits were increasingly mocked and highlighted (Douglas, 1971: 170). For Churchill, the new parliament was more potent in the sense that it was more susceptible to party political gaming – he flatly refused Davies'

suggestion the parties could agree to a limit on hours in which divisions could be called, arguing it could 'create a dangerous precedent affecting the whole position of the House of Commons (Churchill to Davies, 9/5/1950 CHUR 2/64/230). Churchill attempted to strong-arm the Liberals by highlighting the pro and anti-nationalisation dimension to the parliamentary make-up – arguing that 'the electors, by a majority of 1,750,000 have voted against the advance to a Socialist State, and, in particular, against the nationalisation of steel and other industries' (Hansard, HC, 7/3/1950, v. 472 c. 155). By pressing nationalisation as a key cleavage issue, Liberals were forced to clarify whether they would work in active co-operation with the Conservatives throughout the parliament, or prioritise the delaying of an election. Churchill added an amendment to the King's Speech denouncing steel nationalisation and prior to the division, Attlee gleefully asked:

> what really is the design of this? The design, of course, is directed to the Liberal Party more than to the Government… (and) the right hon. Gentleman, is much more interested in trying to destroy the Liberal Party than the Government (Hansard, HC, 9/3/1950, v. 472, c. 592).

This dynamic ran in parallel to private attempts to persuade Davies of the merits of an inter-party agreement: emphasising both the merits, and the inevitability, of political co-operation.

1951 election and the offer of coalition

By 1951, given the increased certainty of Liberal disintegration following their sharp organizational decline, Attlee was aware that the outcome would turn 'on the way the Liberal electors cast their vote' (Crowcroft and Theakston, 2013: 79). The Liberal electoral map – the number of seats in which a Liberal candidate stood – had shrunk from 475 to 109 constituencies between 1950 and 1951. The Liberal Party was, ultimately, effectively squashed into submission by a reversion to a two-party system that, David Butler concluded, meant that the 1951 election 'was a battle between two teams of men, two alternative Prime Ministers and Cabinets, to win the support of the people'. The Liberal Party's electoral irrelevance in large swathes of the country made their continuing independence increasingly moot. Liberal HQ sent questionnaires to candidates in each constituency in which there was no Liberal candidate, asking a series of policy questions on the premise that those closest to Liberal views would be endorsed. Conservative Central Office sent guidance to candidates on how to answer these questions – defending policy on conscription, for example, on the grounds of a defence of the authority of the United Nations – while Labour did not (Questions of Policy, Liberal Questionnaire, CPA CCO 3/2/112). David Butler's account of the 1951 election argued that these questionnaires were significant while also being inconsequential, the Liberal activity that attracted 'most publicity' in the campaign, but which had no or 'very small' effect on whether depleted Liberal associations actively endorsed candidates. Butler (1952: 65) also remarked that:

> Mr Davies' broadcast, it was widely noted, attacked only the Labour Party and, on points of policy, said little that would have caused surprise if it had come from a Conservative ... in an election in which a large number of Liberals had no candidate of their own, this emphasis was regarded by many as particularly significant.

In his element when speaking for Violet Bonham Carter as a joint Liberal-Conservative candidate in Colne Valley, Churchill argued that 'the British nation now has to make one of the most momentous choices in its history, between two ways of life, between individual liberty and State domination' (*The Times,* 16/10/1951: 5).

Clement Davies and the Ministry of Education

Churchill's post-election offer of a cabinet position for Clement Davies, in which the Liberal leader 'present at the formulation of all government policy', has been interpreted in two ways. The historian of the Liberal Party Chris Cook believes the offer was 'presumably one of genuine goodwill to the Liberals'. Graham Jones (2000: 13) points out that the Ministry of Education, which was offered to Davies, was ultimately not appointed cabinet status in the Churchill administration. However, Churchill had kept key members of his cabinet waiting while Davies considered the offer, including Harold Macmillan. In truth, both interpretations speak to the core of Churchill's calculations on the Liberal Party. They also provide an accurate reflection of Davies' leadership style and instincts. The offer shows Churchill's belief in the importance and strength of liberalism, as well as his impatience at continuing attempts to maintain its electoral and political independence from the Conservative Party – the offer of coalition did not come with any offer, note, to look at the prospect of electoral reform (*The Times,* 30/10/1951: 4). It also aligned with his style and the importance he placed on political symbolism and the historical, structural effect on the party system he wished to create was clear: Churchill had wanted the sons of Lloyd George and Asquith in the cabinet, and wished to include Violet Bonham Carter as a junior minister (Wyburn Powell, 208-09).[6] Davies rejection of co-operation was also emblematic of the his intra-party strategy and positioning: it followed consultation with both wings of his party, and led to a modest party statement which offered *ad hoc* 'support for measures clearly conceived in the interests of the country as a whole' (*The Times*, 29/10/1951: 10). If it was 'the final ringing affirmation of the Liberal determination to survive as an independent political force' (Sell, 1987: 48), the defiance involved was understated.

Conclusion

Institution-Facing Constraints

The 1951 General Election is a key touchstone for political scientists charting the rise, fall (and potential resurgence) of two-party politics in Britain: the combined Labour and Conservative vote share of 96.8%

[6] Gwilym Lloyd George, a Conservative MP, was made Minister of Food. Cyril Asquith was not.

had not reached that peak before, and is highly unlikely to do so again (Curtice, 2010: 626). The 2015 general election and the post-coalition collapse of the Liberal Democrats prompted a revisit of the political geography of the Liberal Party's electoral squeeze in the immediate post-war period, and a historical comparison with their concentrations of support. The immediate post-war period was formative in entrenching orthodoxies about party politics, which would go largely unchallenged until the Liberal resurgence in the 1970s (Butler, 1986). The idea of the Westminster system as a byword for two-party politics was obviously not a new one in 1945. But the British polity had emerged from an inter-war period defined by successive coalition governments (Williamson, 1992). It is also true that the Liberal leadership in 1945 did not foresee their electoral collapse, and continued until the election of 1950 to believe a party system in which they could be strengthened and resurgent was an immediate short to medium-term possibility, plausible within two electoral cycles. Classical conceptions of the British Political Tradition that rest on an essential continuity and dualism in British Politics have to account for the fact Westminster's institutions had not hindered an inter-war period of three party politics and coalition governance. But they also need to give greater thought to the causal mechanisms that led to the clear post-1945 squeezing of the Liberal Party, and an extended period of effective two-party politics. If 1945 is one of the 'bookends' of modern political history (Kavanagh and Morris, 1994: 9), the processes involved in the transition from a period of coalition and three-party politics to two-party politics is crucial to understand. As Ben Pimlott (1989: 13) argued, the electorate quickly became:

> sandbagged in their electoral trenches … anonymous infantry of two implacably opposed armies in an era of adversarial politics, with the middle-way Liberals floundering in no man's land.

Pimlott argued that levels of support for the two main parties belied the idea that a post-war consensus existed beyond the arena politics of parliament. Pimlott criticised Samuel Beer, a progenitor of the concept of a British Political Tradition, for arguing there was broad agreement on common social goals – pointing to the sharp division in electoral choice between two rival parties as evidence of conflict rather than consensus (Ibid.). But Pimlott and Beer are in greater agreement than first appears. Key to Beer's (1965) classical conception of the British Political Tradition was that its pathologies (or, Beer would argue, its strengths) emanated from values and ideas present within the collective public consciousness, refracted through a political elite as much as determined by the political leaders themselves. If two-party politics and a corresponding distrust of inter-party co-operation existed in British political culture, this suggests it emanated from the voters. As a result, a key question when tracing the electoral process from June 1945 to November 1951 – the disbanding of the wartime coalition, through to the Conservatives' return to office – is the extent to which the Liberal Party's electoral trajectory was institutionally driven by a dislike of inter-party co-operation among voters, and determined by an electoral system that prohibits individual level multi-party choice while fostering artificial parliamentary majorities.

This was an interpretation that the Liberal Party subscribed to, and led an unspoken paradox at the heart of the Liberal electoral pitch. The party's leadership believed the electorate favoured a two-party system. But they were already treated as an implausible party of majority government in the 1945 election, and the result cemented their third-party status. The Liberal leadership subsequently framed their potential resurgence as an immediate transition to minority government, or an alternative opposition. There was little public attempt to sell the party as offering possible co-operation in government, with the fear this would mean they would be little more than an adjunct to one of the two largest parties. Particularly among Liberal politicians against co-operation with the Conservative Party, there was a belief that the voting public bought into a majoritarian political culture, and a concern the party could only be taken seriously if they continued to be seen as a national force, capable of forming a single party government. Likewise, Conservative advocates and opponents of co-operation with the Liberals as a means of achieving office cited public opinion as a hurdle to overcome. The supporter of co-operation, Harold Macmillan (Draft Speech: Macmillan to Woolton', CPA CCO 20/2/1), argued that 'anything that savoured of a 'political deal' from expediency rather than principles, would be badly received by the public', while Stephen Piersenné, who argued against an agreement within Conservative Central Office, felt that:

> a pact which had as its object the defeat of a third party would be stigmatised as an unfair political ruse, and would be so regarded by the electorate. (CPA CCO 20/1/2 Piersenné Memorandum, 'The Approach to Liberals', 24/1/1950)

This evident self-reflection on the elitist, secretive nature of British politics – a key pathology identified by theorists critical of the BPT – suggests elite agents were keenly aware that co-operation might be badly received or poorly understood. The Liberal Party's further retreat in the general election of 1950 appears to support the hypothesis that voters had little appetite for gaming a system where the norm remained a single party executive. Yet it is not clear whether the extent of this scepticism of co-operation was grounded in electoral reality. A Gallup poll, with fieldwork conducted following the 1951 general election, asking whether 'you approve or disapprove if the winning party formed a Coalition government?', found 48% approval, and 30% disapproval of a coalition (CPA CCO 180/2/3 'Public Opinion Summary' 1/11/1951). There was clearly a belief among some supporters of the idea that overt calls for co-operation could be beneficial: one Conservative candidate, in a seat where a Liberal did not stand in 1950, felt the 'psychological effect of Conservative-Liberal unity in this by-election would, I am certain, have swept to my support a large proportion of the hesitant and " floating " voters' (Taylor, Letter 'The Liberal Function', *The Times* 30/9/1950: 7). The Liberal Party's one gain in the 1951 general election, Bolton West, resulted from a Lib-Con pact in operation. Within discussions of the idea of electoral reform, tentatively kicked around in the early months of 1950, discussion centred on calculations of how advantageous it would be to the Conservative Party. Indeed, in some senses it is remarkable how much the Liberal vote held up in constituencies in which they continued to fight the 1951, in spite of their significantly reduced spread of candidates, and the mathematical impossibility they could form even the largest opposition party (Butler,

1951). There was clearly a belief that framing politics as a two-party competition was electorally expedient, and that support would continue to drain from the Liberal Party because voters viewed the party as an unserious electoral proposition.

Party-Facing Constraints

Primarily, accounts of Liberal decline have focused on structural cleavages within the electorate that made the existence of a third party, representing neither class-based interest, electorally redundant. This idea of structural determination is well-grounded, but is not the whole picture. If nothing else, this electoral division had to transplant itself, messily, onto a political system in which the Liberal Party were a continuing presence, despite pre-war attempts to grind the party out of the British politics. The language and rhetoric used to do so between 1945 and 1951 often hung on the ethos and preconceptions of the institutions of Westminster, as much as the defence of particular social interests *per se*. What was notable was how actors within the two largest parties, particularly the Conservative leadership, produced rhetorical arguments that emphasised a two-party divide and used a narrative of two-party politics as a means of limiting Liberal votes, and encouraging Liberal members to join the Conservative Party.

Lord Woolton, in particular, saw the electoral redefinition of the Conservative Party as an effective alternative to pursuing cross party co-operation. Woolton argued that overt discussion of co-operation would be counter-productive as 'many Liberals in the country (who) have come to the conclusion that the two-party-system is more likely to be effective than a three-party-system, would hesitate about leaving an independent Liberal Party' (Woolton to Teviot, 13/2/1950, MS Woolton 125-26). There was an assumption Liberal members could be persuaded of the merits of joining the Conservative Party by the Liberals' diminishing electoral weight and its uncertain ideological direction in Westminster. The morale of Liberal members was thought to be weakened, causing 'dismay in Liberal ranks' and making them more susceptible to defection (Public Opinion: December 1950, CPA CCO 180/2/3). There is little evidence for this. True, Violet Bonham Carter railed against the fact the 'lunatic fringe seems to have complete command', and there was discontent the Liberal leadership was refusing to acknowledge the party's new electoral realities, while an amendment that the party should oppose any inter-party localised 'pacts' was defeated (*The Times*, 2/10/1950: 2). But it was Clement Davies' cry that 'we refuse to get out. We refuse to die. We are determined to live and fight on' (Graham Jones, 2000: 100) that resonated most, and a resolution strongly opposing a limit on Liberal candidates – effectively, the kind of deal that would mean a national co-operation with the Conservative Party – was roundly rejected.

Many Liberals, not least Davies, felt any abandonment of independence and autonomy would be both permanent and terminal. Liberal Party elites held a clear narrative on the Liberal National split, making the possibility of co-operation much more difficult than advocates within the Conservative Party realised. 1931, and the spectre of Ramsay MacDonald it induces, is particularly important in the shared history of the Labour Party. But the split it created in the Liberal Party was also raw, and powerful, throughout this period

for Liberals. It had a direct effect on the strategy and identity of the party. As a result, the Liberal Party was increasingly self-defined by the fact it was not the Liberal National party. Violet Bonham Carter told Megan Lloyd George that, despite operating on separate wings of a polarised and reduced party, the Liberal Party was the 'soil in which our roots were planted – almost at birth – & from which they never could be torn' (Bonham Carter to Lloyd George, 17/11/1947, NLW MS 20475/1368). A belief in insuring the continuity of an independent Liberal Party existed among the bulk of Liberals in parliament after 1945, encouraged by a strategy that was increasingly concerned with strengthening intra-party organisation as a clear alternative to inter-party co-operation. Nor was any split between a Liberal parliamentary elite that after 1950 was increasingly supportive of an agreement and a party in the country that remained opposed by any means a clean one. Ex-leaders and senior figures were increasingly uncertain about the party's future existence without it clearly operating in the slipstream of the Conservative Party. Yet the Liberal Party's MPs were too divided to suggest they were cohesively pro co-operation, or to lobby for it in the wider party. Instead Clement Davies' leadership, much like the party he led, operated in a state of indeterminate uncertainty.

Within the Conservative Party there was a clear disconnect between Churchill and a select core of elite cabinet members from the Conservative Parliamentary Party, and the organisation at Conservative Central Office. Churchill's detachment from his party and the divide in the party that meant parliamentarians were set against co-operation was problematic. Clearly, there was a contemporary belief this was due to the personal and political history of Churchill, who professed himself 'a Liberal as much as a Tory', and the belief 'he definitely – *emotionally* – desires a rapprochement with Liberals' (Bonham Carter, 2000: 22/4/1947, 28-29; Toye, 2007). However, there was little that linked other Conservative advocates of co-operation such as Rab Butler and Harold Macmillan to the Liberal Party, beyond the idea the new post-war political situation and settlement required new strategic thinking. Lord Woolton represented a broader party membership sceptical of any agreement with the Liberal Party. Woolton utilised this scepticism as a blockage to an agreement. Conservative activists and members held strong anti-Liberal sentiment that meant co-operation – particularly as Woolton continued to emphasise each constituency was autonomous, guided but not directed from Conservative Central Office – was difficult to achieve.

Churchill: Defending 'existing institutional equilibrium'?

The two-party politics that settled after 1945 was not determined by the agency and heresthetic strategy of Winston Churchill. However, what is clear is that Churchill saw an opportunity within the collision between the received tradition of two-party politics and the continuation of a frail and near-defunct Liberal Party. Both Labour and the Conservatives emphasised battles over policy and ideas fought along a libertarianism versus collectivism divide, which Greenleaf (1983) set out as the key organising principle of the British Political Tradition. But only Churchill attempted to define and claim the Liberal Party as inherently part of his side of that divide. The radical nature of this should not be overstated: this was the encouragement of a pre-existing trend for the Liberals to disproportionately shed voters to the Conservative Party. Noting

only that the electoral logic was partially achieved by 1951, despite elite negotiations eventually falling well short, also underestimates the extent to which Churchill desired a formal rapprochement with the Liberal party as an end in itself. But it was, nevertheless, a clear use of the concept of co-operation as a heresthetic strategy to reshape party politics for specific strategic ends. This meant public dismissal of the Liberal Party, but also reaching out to key figures in the party. This explains what is at first sight a curious advocacy of proportional representation after 1950, with a continuing and strident belief in two-party politics.

Churchill was attempting the balancing act of acquiring Liberal support while leaving the Liberal Party on life support and reliant upon Conservative goodwill. Churchill's multi-faceted approach and offering – public pronouncements and private backchannels, policy convergence and the prospect of electoral salvation – was an attempt to bind and direct a drifting Liberal Party, particularly those at the top, into the inevitability of an agreement with the Conservatives, or at least to force them into a choice between an agreement with either the Conservatives or the Labour Party. This can be read as a clear example of using inter-party politics to establish and maintain a two-party system, using Liberal support to reinforce a claim to national government that had not succeeded in 1945. It was a strategy with two key elements: the *squeezing* of Liberal support and the decisions open to their leadership, and the *embracing* of the Liberal party and an offer of a way out through Conservative life support. Churchill's his 'tough love' approach was a successful five year-long attempt at strategic manipulation, a prolonged pursuit of the Liberal party that was based upon a belief in their electoral interdependence and a very clear reading of his political environment.

Clement Davies: disrupting 'existing institutional equilibrium'?

If the performative and the rhetorical have any weight, then Clement Davies – the 'forgotten leader' of the Liberal Party – must be the antithesis to Winston Churchill's bombast. There was also a clear strategic difference between the two leaders: Davies' principal aim was a defence of the Liberal Party's independence, rather than the acquiring of office (which he personally rejected) or even any redefinition of the party's political and electoral positioning (when he failed to achieve). There was little attempt to interlink this survival with any medium-term interest in the logic or purpose of electoral reform. The party's drift to the right was principally a result of the fact Davies was a 'jellyfish swung by every tide' (Butler to Churchill, 3/5/1950, CCO 20/1/2). Far from an attempt to hold back those tides, Davies' strategy was essentially to prove the Liberal Party could float instead of sinking into political history.

This frustrated more proactive politicians on both the left and right of his party. But it was a strategy caused by antagonisms between these two sets of politicians within the Liberals. The concept of openly pursuing co-operation would have uncovered the policy differences that split the Liberal Party down the middle. These Liberal divisions in parliament were seen, despite little evidence, as particularly destructive to the party's standing by Liberal politicians, rival parties and contemporary commentary. This was an ideological dispute which had its roots in the Liberal Party's accommodation with class-based structural cleavages that dominated party politics. But as the party's grim electoral prospects became ever-clearer, it was fought

partially through the proxy of the rationale behind electoral co-operation. Clement Davies' overwhelming priority was intra-party healing rather than inter-party bargaining.

Disciplinary difficulties about policy ends and strategic means in the 1950-51 parliament were increasingly framed as damaging to the Liberal Party's fundamental place in the Westminster system. Davies' strategy was, therefore, an attempt to gain a small foothold for the Liberal Party within the dominant institutional equilibrium of two-party politics. Birch's (1964: 245) influential interpretation of the British Political Tradition argued it was essentially formed as a tension, in descending order of importance, between 'first, consistency, prudence and leadership, second, accountability to Parliament and the electorate and third, responsiveness to public opinions and demands'. The Liberal Party was thought to provide neither of the first two. The continuing (albeit barely sustained) delusion the party could operate as an alternative government was shattered by the 1950 result. Operating on a 'broad front', and ensuring as many national candidatures in constituencies as possible – and, by definition, avoid an inter-party, pre-election constituency carve-up with the Conservative Party – was viewed as all important by many Liberals, as it spoke to the inherent purpose of the party as a party of government. This made the significant drop in candidates in the 1951 election significant. But, in any case, the Liberals were also not an effective or cohesive parliamentary grouping. Davies' calculation was that this rupture in the party's small parliamentary party would have grown into a chasm if Liberal-Conservative links had been fully pursued in electoral or governing co-operation. This meant that, for Clement Davies, any electoral strategy predicated on co-operation was not just moot, but harmful to his electoral aims.

Birch's ideas of what constitutes the viability of political action in Westminster do not exist independent of strategic rationale – as McAnulla (2006: 22) argues, traditions and norms 'tend to be used as instruments or tools that politicians use to manipulate opinion and to gain power'. There was a growing consensus, fostered by politicians from the two larger parties, that it was hard to see where a divided Liberal Party – operating neither as a theoretical alternative government nor a cohesive legislative force, and struggling to claim to represent a defined liberal creed – could fit within the British political system. Geoffrey Sell (1987: 10) argues Davies' legacy 'was that he passed on a separate, independent national party further from extinction or engulfment by either of the major parties than when he took up the task'. This meant a short-termist strategy and little attempt to create distinct institutional changes to the structure of party politics. Perhaps that is why the greatest success of Davies' leadership, if it is remembered at all, was ensuring survival – a success, paradoxically, predicated on leadership inaction and weakness.

CHAPTER THREE: Heath-Thorpe Negotiations and a 'Government of National Unity', February-October 1974

1973

3 October – Harold Wilson, in his speech to the 1973 Labour conference, rules out co-operation with any party.

9 November – A by-election victory for the Liberal Party in Berwick-Upon-Tweed suggests they could be an electoral force in any imminent election – though the prospect of a hung parliament is downplayed.

1974

28 February – The general election results in a hung parliament, with Labour the largest party

1 March, 9am-3.30pm – When results become clear, Heath hold a number of meetings with senior cabinet colleagues, discussing the prospects of an agreement with the Liberal party.

1 March, 5.45pm – A full cabinet meeting discusses the political situation, and agrees that the Liberal party should be approached.

2 March, 4.00pm – Heath and Thorpe meet for negotiations around the prospects of a coalition.

2 March 6.00pm – Meeting of senior members of cabinet, where another round of negotiations is endorsed.

3 March 5.40pm – Heath and Thorpe have a conversation by telephone, discussing the prospect for an agreement.

March-June – Significant research and internal discussion within the Conservative party about the prospects for an inter-party agreement with the Liberals.

11 June –Whitelaw takes over from Lord Carrington as Conservative Party Chair, seen as the end of an possibility of a pre-election Lib-Con agreement.

25 June –Thorpe and Steel announce the Liberal party's willingness to enter coalition in a party political broadcast. There is a backlash within the party.

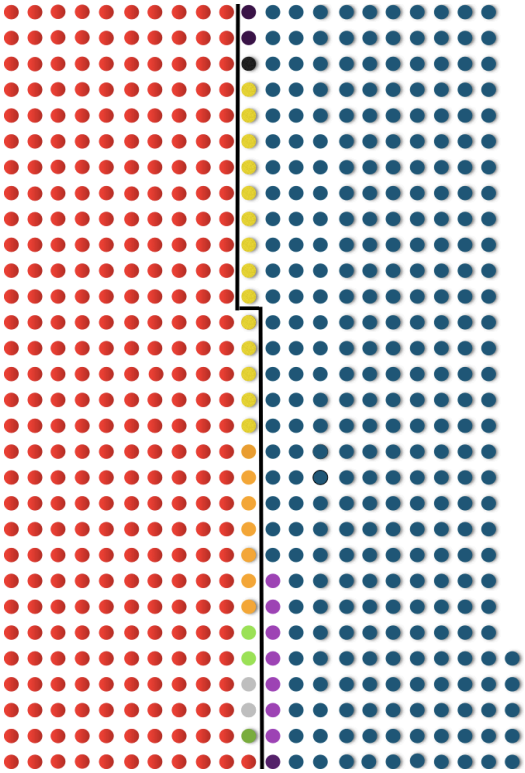
26 June – In a speech to the Press Club, Heath proposes a programme of 'national unity' – but does not make clear whether this would involve political co-operation with other parties.

3 September – The Conservative manifesto is released, promising to involve figures from outside the Conservatives, regardless of the election result.

6 October – Heath refers to the possibility of a 'coalition' for the first time during the election campaign.

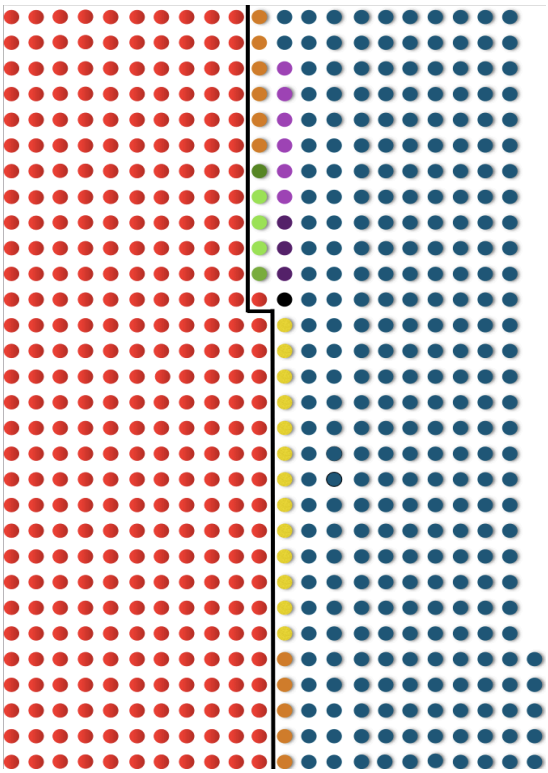
10 October –Labour win the general election, with a majority of 4. Wilson remains in government without any inter-party agreement.

Figure 1: General Election February 1974, seat distribution in the House of Commons



Party	Seats (% of total)
Labour	301 (47.4)
Conservative	297 (46.8)
Liberal	14 (2.2)
SNP	7 (1.1)
UUP	7 (1.1)
Vanguard	3 (0.5)
Plaid Cymru	2 (0.3)
Independent	2 (0.2)
SDLP	1 (0.2)
DUP	1 (0.2)

Figure 2: General Election October 1974, seat distribution in the House of Commons



Party	Seats (% of total)
Labour	**319** (50.2)
Conservative	**277** (43.6)
Liberal	**13** (2.1)
SNP	**11** (1.7)
UUP	**6** (0.9)
Vanguard	**3** (0.5)
Plaid Cymru	**3** (0.5)
Independent Rep.	**1** (0.2)
SDLP	**1** (0.2)
DUP	**1** (0.2)

Friday 1 March, 1974. BBC Studios. 5.45am:

Robin Day (BBC): I have been asking questions all last night and all today. I would permit myself one comment, with all the humility at my command. And that is that I think it is rubbish to talk about a coalition any more, there is not going to be a coalition. It is rubbish to talk about deadlock, there is not deadlock.

Ian Waller (*Sunday Telegraph*): All this theorising by Robert MacKenzie and David Butler on deadlocks and coalitions and things is absolutely, totally irrelevant to the practical politics of British political life. First of all, there is no deadlock. As you say, government will continue. And the second point is that there will be no contact with the Liberals, either by Mr Heath or Mr Wilson.

Alan Watkins (*New Statesman*): I agree. Coalition is being used by some people not as membership of say the Liberal Party in a Labour cabinet but Liberal support in a Labour government. Now that is not coalition according to my definition of the term.

Andrew Alexander (*Daily Mail*): I entirely agree about the use of the word coalition. What they are talking about is minority government … it is almost impossible to have a deadlock under our parliamentary system. Almost impossible.

'This much is clear: the February general election has broken the Conservatives pretension of being the natural governing party; destroyed the two-party system as we have known it, substituting a multi-party set-up; given us a taste of minority rule for the first time since 1929; and changed the political outlook both inside and outside the Commons'
Prof Myles Mackie, University of Cambridge (*The Times*, 13/8/1974: 12)

Overview: Political Context and Heresthetic Strategies

1974 was, if not 'the year that everything changed' (Terry, 2012), at the very least a significant breakaway from the type of governance and election result that British voters had been used to since 1945. Certainly, lots of politicians thought British politics had transformed, for better or worse, irrevocably. The two elections of 1974, and the party-political machinations in between, provide a case where both pre- and post-election coalitions were contemplated by both Heath's Conservative party and the Liberal Party, led by Jeremy Thorpe. This upheaval in parliamentary politics had been precipitated by a period of significant political uncertainty and crisis, centred principally around industrial strategy and rising inflationary pressures (Taylor, 1996: 139-160). Heath had taken office with a Conservative manifesto heavily influenced by the 'Selsdon' doctrine, which promised to revolutionise industrial relations: a laissez faire approach to political economy, a tax-cutting agenda and a confrontational approach to trade union relations (Bale, 2012; Heppell, 2014). Ultimately he was forced – in part by contingent events, in part by a characteristic favouring of 'action over inaction' when economic results were not immediately forthcoming – into a dramatic reversal

of his economic stance and a series of policy u-turns: a compulsory incomes policy, an increase in public expenditure and interventionist moves towards nationalisation of some failed industries. What this did not achieve was a reversal of Heath's political problems – not least of which was a growing confrontation with the National Union of Miners (NUM). This uncertainty translated from governance to electoral politics and the question of whether, and if so when, Ted Heath would call a general election in the opening months of 1974, to gain authority to face down the NUM. This culminated, after a great deal of deliberation and hesitation – with cabinet members who would later be key figures in the dynamics of Conservative-Liberal negotiations, such as Willie Whitelaw, firmly opposed – in the calling of a general election under the confrontational header of 'Who Governs Britain?' (Gamble, 1988: 75-78; Hughes, 2012; Kavanagh, 2004: 355)

The timing of the decision to call an election for 28 February 1974 is seen as one of the key 'what ifs' of twentieth century British politics (Bale, 2012: 185; Hughes, 2012: 208-13; Ramsden, 372-75). Both Heath and the government he led were 'gripped with indecision' and internal conflict over the decision (Heppell, 2014). This mixture of tactical boldness and a lack of surefootedness consistently emanated from the Conservatives' leader, Ted Heath, a strategic paralysis and association with that had come to define the later years of his leadership (Ball, 1996: 328; Campbell, 1994: 577-78; Ziegler, 2010: 423; Heppell, 2014). This weakness when it came to acting on his instincts was a defining feature of the political approach of a leader 'whose name is almost synonymous with the u-turn' (Hennessy, 2000: 333). It extended into his relationship with the Liberal party, with whom he shared his key policy aimed of a statutory incomes policy and, notably, membership of the EEC. The ultimate, and often overlooked, irony is that his policy of 'national unity' explored in this chapter – half-heartedly pursued and thought through, but nevertheless a radical departure from the institutional equilibrium of British politics – was a bold strategy that came too late. Heath believed in the idea but undertook it from a position of political weakness when he lacked the capital and organisational control to make it happen. It helps us develop and flesh out our existing understanding of both Heath and Jeremy Thorpe as political leaders and their political strategy and statecraft. It is a piece of the Heath story that needs to be further understood.

Discussion of inter-party co-operation was prompted by the result of the 28 February snap election. An unexpected hung parliament led unsuccessful negotiations between Heath as the incumbent Prime Minister and the leader of the Liberal Party, Jeremy Thorpe. These lasted for four days, but were unsuccessful. They began the afternoon following the election and lasted until Monday 4 March, with Harold Wilson appointed head of a minority Labour government, 17 short of a majority. Immediately, speculation began as to when Wilson would call another election. The Conservatives, to counteract their weak electoral position, seized on what they saw as (and what the polls told them was) a significant upsurge in the popularity of collegiate and inter-party government, to adopt a policy of 'national unity'. From March to June, the prospect of this reinforced by a mutually binding pact over seats with the Liberals was discussed in elite Conservative circles. The Liberal Party also discussed at length the possibility of joining a government with the Conservatives.

This then moved to pressure on Heath to provide a guarantee of the presence of other parties, particularly Liberals, in any hypothetical government, pressure that was ramped up as the election approached and the Conservatives' chances of success on their own remained doubtful. A slim Labour majority ultimately punctured the prospect.

This period between February and October 1974 is an interregnum often ignored in the few concerted analyses of Conservative-Liberal relations in the 1970s (Bogdanor, 1996 is an exceptions). This is true of analysis of Heath's leadership of the Conservative Party – with, for example, a recent otherwise comprehensive tome on Heath and Thatcher's periods in opposition pointedly devoting one sentence to the period of March-October 1974 (Caines, 2017: 112). Heath's time in opposition between the failed election in February 1974 and his resignation in February 1975 is largely viewed as a period of inexorable decline (Kavanagh, 2005: 219-222). The perception of the elections from February to October as a near-inevitable two-step process, given the unsustainable parliamentary arithmetic facing Wilson, have also meant historical assessments of Thorpe's leadership of the Liberal Party in the inter-election interregnum do not delve into understanding the decision-making processes behind Thorpe's attitude to the Conservative party (Cook, 2010; Dutton, 2013).

It is true that the immediate political implications of the February 1974 general election for inter-party co-operation were of course determined by the arithmetic of the House of Commons. As this chapter outlines, Labour's 301 seats to the Conservatives' 297 partially shaped the strategic rationale for a Conservative-Liberal government, as well as limiting its ultimate appeal given that no two parties could form an overall majority – Conservative-Liberal coalition would have fallen two seats short of a majority. The October election ended the Liberal party's brief flirtation with the concept of executive political office. But other factors and dynamics self-evidently played out: the interaction between Wilson's strategic calculus and Labour party culture to reinforce a 'no co-operation' stance'; the role of the perception, hard to sustain given the hung parliament in the House of Commons, that Heath had 'lost' the election and Wilson had won it. Indeed, it is a key contention of this chapter that elite advocates of inter-party co-operation were spurred on not just by short-term political expediency, at first the primary concern for Ted Heath's Conservatives, but also by an historically underappreciated belief that 'the need for good relations with the minor parties is unlikely to be confined to this parliament' (Ian Gilmour to Heath', 26/3/1974, CCO 20/2/7).

Inter-party dynamics in 1974 can be separated into two distinct types and stages. Firstly, the post electoral government formation discussions that ran between 1-4 March, although having a spill over effect on the parliament that followed, were self-contained within the uncertainty that ran from election night until Harold Wilson's confirmation as head of a minority Labour administration on 4 March 1974. This chapter first sets out the key events that led to a hung parliament following the election of February 1974 and, subsequently, the negotiations between Ted Heath and Jeremy Thorpe on forming a Conservative-Liberal coalition. The behaviour of elite actors in the February campaign and immediately afterwards was reactive,

responding (and floundering) in the face of unforeseen parliamentary arithmetic. Subsequently, coalition discussions were instinctive, short-termist and reluctant. These negotiations displayed scant connection to wider electoral strategies or agenda setting for either party, beyond a realization that power was about to be lost and what that would mean – most likely, Conservative cabinet ministers thought, Labour in power until at least 1980. (Resignation of Mr Heath, 16/3/1974, PREM 16/231/7).

What followed was different. Speculation and internal discussion throughout the parliament of 1974 was based on the potential of two forms of arrangement: a pre-electoral pact between the Liberal and Conservative parties, and widespread discussions on the basis upon which these parties (and, wholly elusively, the Labour Party) would form a hypothetical post-election government under the banner of 'National Unity'. The Labour Party, as in the post-election negotiations in March, took a position entirely opposed to any agreement. This was based upon Wilson's belief that discussions of coalition would be electorally advantageous for Labour and detrimental to its competitors, a position not wholly shared by close advisors and colleagues (Donoghue, 2005: 24/6/1974, 146; Campbell, 2015: 434). Within the Conservative and Liberal parties advocates of a bold strategy of electoral co-operation, or a clear indication of a Conservative-Liberal coalition, ultimately foundered in the face of elite and wider opposition.

Significant uncertainty had been injected via the electorate, unforeseen and largely unpredicted by the actors it most affected, into a political system that had been characterised and defined by post-war, two-party stability. The general election of 28 February 1974 saw a third force vote twice as large as any that had been recorded since 1929 (Butler and Kavanagh, 1974: 15). How elite agents the Conservative and Labour parties reacted to novel political circumstances differed at almost every turn. Two elections that year, the first in February and the second in October, were defined in different ways by attitudes to cross-party co-operation. On 28 February, the result meant a hung parliament, and ultimately fruitless *ex post* negotiations between the Conservatives and Liberal parties led to the creation of a minority Labour government. From that moment, until 10 October of the same year, and a second election, *ex ante* speculation and internal indecision within the Conservatives and the Liberals – in stark contrast to Harold Wilson's consistent 'no negotiation' strategy – meant the possibility and plausibility of a coalition government dominated political discussion.

In part this was due to a bold Conservative move – helped along in part by Heath's ideological attraction to the idea – to co-opt the idea of coalition and 'National Unity' for strategic electoral advantage. It was a heresthetic manoeuvre designed to blunt the electoral strength of the Liberal party while also benefiting from the perceived enthusiasm for political change, aiming to redefine the Conservative party under Heath that was going stale without changing the party's core policy offer. In this sense, it really was about the heresthetical restructuring of political competition. But it was fundamentally restricted by Conservative indecision about how far the idea should be developed, and wariness within the wider party machinery about committing wholeheartedly to a Conservative-Liberal coalition. Throughout, a significant tension existed in the Liberal Party, a discernible divide persisting between an office-orientated leadership and a

party keen to retain electoral individuality. This chapter will analyse how politicians responded to, if not a seismic change in their electoral environment, then certainly one that put overt discussion of hung parliaments, coalitions and inter-party agreements to the fore of British political discourse. The outcome – both the Conservative and Labour parties continuing to operate wholly independently of the Liberals and, in October, a slim Labour majority – can be understood through analysis of the inter and intra party dynamics at each juncture and stage in what was, in the end, an elongated and fruitless bargaining process.

The Liberal leadership's appeal for coalition was muted by association with Heath's Conservative Party, and the more Heath pushed the idea of coalition the more Thorpe distanced himself from it. Labour's no-negotiation strategy, and significant pushback from the Liberal Party Executive at the prospect of a two-party coalition, made an appeal for co-operation much more difficult. But it was not an agency-led attempt to actively disrupt the two-party system. Thorpe gambled that he did not need to push the prospect of coalition at any cost, instead prioritising the maintenance of the fragile electoral coalition and internal cohesion that had created the hung parliament in February. The hope in 1974 – and, for at least some of the inter-election period, the expectation – was that the flux of the February result would solidify into an entrenched multi-party system, necessitating co-operation that would carry the Liberal Party into coalition. This positioning on co-operation avoided key questions about the Liberal's place within the party system, and suited a leader with a narrow political focus. It was, however, ultimately an unsuccessful interaction with the political structures of party politics. Jeremy Thorpe's aimed, as Colin Hay's (2009) put it when describing the concept of heresthetics, to part the tide of British politics through strength of rhetoric alone. Instead, the Liberal wave was subsumed in the general election of October 1974 by Labour and the Conservatives.

The politics of co-operation pre-February 1974

The renaissance in Liberal fortunes was foreseen but largely ignored prior to February 1974. At the beginning of 1973 the party was still being dismissed in Conservative Research Department briefing notes as a 'paper tiger' offering 'quack remedies' (CRD: Liberal Policy Brief, 1/4/1973, CPA CCO 500/25/8). More importantly, growing Liberal electoral strength was little more than 'the mid-term expression of disappointment by a highly volatile electorate' (Henderson to Morrison, 26/7/1973, CPA SC14/74/29-31). Senior figures from both major parties viewed four by-elections held on 9 November 1973 and, particularly, the two most closely fought, Berwick-Upon-Tweed and Hove, as important signals of Liberal staying power. James Callaghan, for example, believed that 'if they took Hove and Berwick they (the Liberals) would certainly remain stronger than in previous upsurges' (Meeting with James Callaghan, 23/10/1973, Hetherington 21/43). The overriding interpretation of results – Liberal victory by 57 votes in Berwick, and a 5000 majority for the Conservatives in Hove – was that they were extremely bad for Labour (Jay, 1997).

Despite a significant victory in Berwick, *The Times* reported that:

> nearly all Labour and Conservative politicians are profoundly convinced that if they can survive the present spasm of protest voting, British politics will surely return to its familiar two-party rivalry'
> (Wood, *The Times*, 10/11/1973: 1).

In January 1974, Barbara Castle believed that 'an election in the current circumstances could wipe (the Liberals) out', due to the 'intense competition' between the two main parties (Meeting with Barbara Castle, 21/1/1974, Hetherington 21). The Conservatives' Chancellor, Anthony Barber, was clear in November that he 'didn't believe they would hold the balance, or anything like that' (Meeting with Anthony Barber, 15/11/1973, Hetherington 21). A key figure from Conservative Central Office, who played a co-ordinating role in the Berwick by-election, says that both Conservatives and the media-at-large were 'so used to Jo Grimond as an elegant loser that they refused to acknowledge a groundswell for the Liberal Party' (Private Interview, 2016).

This was not, as *The Times* hinted, a reading to which all subscribed. There is evidence that Harold Wilson did not fully buy into the thesis of inevitable Liberal collapse, and had clearly seen any Liberal consolidation as an unalloyed positive for Labour. In public, he made it clear in his October 1973 party conference speech that:

> there will be no electoral treaty, no political alliance, no understanding, no deal, no arrangement, no fix, neither will there be any secret deal or secret discussions. Whatever the results of the election, a Labour Government will go forward boldly on its policy programme. (Wilson, 1973)

In private, *Guardian* journalist Ian Aitken put it to Wilson that he had focused his ire on Liberals and coalition to give 'notice to disaffected Conservative voters that they could safely vote Liberal without creating a Lib-Lab coalition' – a suggestion the Labour leader accepted, though with the caveat that he was further driven by a genuine hostility to the idea of coalition (Wilson Lunch at Blackpool, 4/10/1973, Hetherington 21). When *Guardian* editor Alastair Hetherington pondered whether some may view a Liberal brake on Labour policies to be a positive (a view that was, in the end, the paper's editorial stance in both elections of '74) Wilson 'uncharacteristically rather froze … and changed the subject' (Ibid.). James Callaghan held much the same view, and felt post-conference that the Liberal upsurge 'might let the Labour Party in by default. He did not mind that as long as they got power' (Callaghan, 23/10/1973, Hetherington 21). This rationality was augmented by intra-party realities and a strong ethos against deals of this kind. Wilson, Heath pondered to Thorpe, 'would wish at all costs to avoid the role and fate of Ramsay MacDonald' (Meeting with Mr Thorpe 2 March, PREM15/2069/7). Therefore, in Labour circles, readings that a strong Liberal vote could certainly play a role in any upcoming election were not dismissed, but instead perceived to be no bad thing.

Opinion polling usage expanded significantly, and daily private polling was conducted for the first time by both main parties (Butler and Kavanagh, 1974: 135). Yet they had little impact on broader electoral strategy or tactical considerations in the short campaign (Ibid: 135). In any case, the results of private and public polls skewed towards the Conservatives and few expected the result, or anticipated the pattern of Liberal inroads.[7] This meant, ultimately, that there was little to no internal party discussions of prospects for a hung parliament. At the start of the short campaign for the general election of 28 February 1974, polling showed the Liberals at 12%. On the eve of the election, two polls showed the party at 25%. Jeremy Thorpe, triumphant and unrestrained, declared 'we are out for the jackpot' and speculated that, with 25% of the vote, his party could expect 65 seats (Bloch, 2014: 381). The weekend before polling day a feeling existed in the Liberal Party that anything less than 50 MPs would be a disappointment – though there continued to be little discussion of a hung parliament and its ramifications for the party (Steel, Interview, 2016). Private Conservative estimates continued to put their majority at 40 or 50. Wilson anticipated defeat or, in his most optimistic estimates, a situation akin to 1964 and a Labour majority of low double digits (Butler and Kavanagh, 1974: 110). In the end, with 19% and 6 million votes, the Liberals held 14 seats in the Commons. Jeremy Thorpe was left disappointed, but surprised that his party had not been attacked more as the campaign wore on (Bloch, 2014: 384-5).

Post electoral inter-party discussion between the Conservatives and Liberals, 1-4 March 1974

The prevailing wisdom prior to the election of 1974 was, therefore, that the outcome would be a single party (almost certainly Conservative) government, and a 'clean-cut' result (Armstrong, Interview, 2016; Robin Butler, Interview, 2016). Despite suggestions by Professors Robert McKenzie and David Butler in media coverage that the post-election deadlock would precipitate immediate cross-party dialogue, the immediate post-results consensus was that their emphasis on Europeans portents were an off-kilter preoccupation, and inter-party negotiations would either be minimal or non-existent. Within 48 hours the Conservative cabinet position was that Heath should attempt to negotiate a Lib-Con coalition, an outcome seen as favourable to minority government (Cabinet Conclusions 1/3/1974, 5.45pm CAB 128/53). But Heath's decision to ignore voices calling for him to relinquish office, and instead start a negotiation with the Liberals, was taken in the face of the broad prevailing wisdom and accepted practice. Given the circumstances a minority, single-party government seemed not just one option, available to rational actors free to manoeuvre to best effect. It was instead the inevitable, and the only legitimate, outcome.

This damaged the perceived legitimacy of the resulting talks. Historical interpretations of the negotiations as 'three days of much-criticised procrastination' (Harris, 2011: 475) are, in part, a reflection of the shaky, even unsustainable, parliamentary arithmetic. Others have questioned whether Heath played his hand too soon, and suggested the plausibility of another Heath-led government would have strengthened from opposition had unsuccessful negotiations not exhausted the prospect (Butler and Kavanagh, 1975: 258;

[7] The Chairman of ORC, T.F. Thompson, wrote a *mea culpa,* saying 'we are deeply humiliated. We shall do everything we can to see what went wrong' (Butler and Kavanagh, 1974: 261)

Jenkins, 1992: 368; Campbell, 1993: 616). But, primarily, doubts about whether shaping a *post hoc* parliamentary victory was a legitimate exercise drove contemporary criticism. Thatcher's biographer Charles Moore's (2014: 247) interpretation is that 'although the rules permitted, public opinion was more impatient'. Willie Whitelaw (1989: 135) argued that 'the proposed coalition would have been regarded as wrong on principle by the British people' and Carrington (1988: 267), at the time an ardent supporter, in retrospect felt it may not have been 'politically healthy or wise'. Civil servants pointed to the precedent of Baldwin: Heath's Principal Private Secretary Robert Armstrong (Interview, 2016) argues it was 'the newspapers, the media, who introduced the new idea that if you don't get a majority, you resign. They didn't regard the Baldwin precedent as relevant, really'.

This perception forcing through co-operation would be electorally punished disguises burgeoning and soon surging, if somewhat incoherent and indecisive, support for both electoral reform and coalition government as 1974 progressed (ORC Report April/May, CCO 180/11/5/5; Liberals Survey 31/7/1974, CPA CCO 180/27/9/2; Bale, 2012: 220). The prospect of coalition government also received some support, *The Times (*2/3/1974: 15) arguing that 'coalitions are obviously stronger than minority governments ... there is in fact only one respectable majority in this House, that is a majority resulting from a combination of the two major parties'. Yet Wilson's privately discussed the possibility of issuing a 'denunciation of constitutional impropriety' (Jenkins, 1991: 369), while Lord Crowther-Hunt, who served as a minister under Wilson, wrote to the *Times* to argue Heath's actions were 'bordering on the unconstitutional' (Crowther-Hunt, The Times, 4/3/1974: 15). The claim of 'impropriety' was, also, the basis upon which Keith Joseph criticized Heath in cabinet discussions ('Diary: 1/3/1974' MS Hailsham 1/1/8; Moore, 2014: 248). Both claims were refuted by constitutional experts, such as AJP Taylor, and the constitution was relatively clear. But what was politically plausible or possible was less obvious. Heath was attempting, in part, to shape rules of a post-electoral environment that 'will have to virtually be rewritten as the game is played out to its unforeseeable end' (Aitken, *The Guardian,* 2/3/1974: 8).

Conservative Intra-Party Discussion of Co-Operation

The legitimacy question was also a barrier to action by limiting the available time-frame for negotiations. Factors such as the perception of desperation, or that Heath would be thought to be 'hanging on', loomed large when thinking about the electoral effect of negotiations (Resignation of Mr Heath, PREM 16/231/6). This was a feeling that Heath himself did little to dampen down, and the press was briefed that both Wilson and Heath 'were adamant that the most urgent need is for a government to be formed quickly to cope with one of the gravest constitutional and economic crises ever' (Aitken, *The Guardian*, 2/3/1974: 8). A Wilson minority government was quickly assumed to be best placed to fulfil these criteria. Ken Clarke, then a junior whip, got the message from the prominent backbencher Kenneth Lewis that he 'just tell that man to stop messing about. We have lost an election, we cannot form a government, we have been defeated and we must go with dignity' (Ziegler, 2011: 441). While Lewis was an outspoken backbench critic of Heath, Clarke made it known that he was in broad agreement. Thatcher (1995: 239), writing later, argued 'horse trading'

went down particularly badly with a public that hates a 'bad loser'. Thatcher was atypical among the cabinet in being vocally opposed to a deal – accounts vary on who among the mix of Thatcher, Keith Joseph and Maurice Macmillan expressed their discontent (Denham and Garnett, 2002: 234; Diary: 1 /3/1974, MS Hailsham 1/1/9). Yet there was an acknowledgement, even among advocates of co-operation, of this difficulty: Heath's Political Secretary recounts that 'as in 2010, the incumbent government, by not winning clearly, had lost' (Armstrong, Interview, 2016). Conservative elites would have been more than aware of the potential costs of Heath being seen, as *The Spectator* (9/3/1974: 1) in any case christened him, the 'squatter in No. 10 Downing Street'.

Heath's decision to start a dialogue was based on an instinctive desire to cling to office and, while certainly not inevitable, was hung on the same majoritarian understanding of elections that led to others dismissing coalition out of hand. Heath was clearly desperate to retain power and sensed it possible. The devastation on 4 March when negotiations collapsed – 'there was so much, or nothing, left to say' – showed he remained hopeful, if not expectant, till the end (Resignation of Mr Heath, PREM16/231/56).[8] His behaviour during his first negotiations (Thorpe twice feigned to leave, after 20 and 45 minutes, and was both times stopped) suggested Heath took the negotiations extremely seriously (Resignation of Mr Heath, PREM16/231/29; Bloch, 2014: 389-90). He calculated that the disadvantages of opposition and the political levers that governing allowed Wilson – factoring in the timing of any subsequent election, and the spending of North Sea Oil revenues – probably outweighed any potential benefits that may come from support 'returning' from the Liberals (Cabinet Conclusions 1/3/1974, CAB 128/53). Thorpe privately pointed out that if he had asked Ted Heath on 1 February whether he might be prepared to talk to the Liberals, he would have dismissed the possibility completely (Jeremy Thorpe, 19/7/1974, Hetherington 21).

The acutely disappointing result, and the concept that each election has a clear winner and loser pushed Heath towards facing up to the necessity of co-operation with Thorpe's Liberals, rather than pursuing his preference for a minority government. Yet Heath was, just as he had been over the timing of the election, at the mercy of events rather than the driver of them. He had previously said in conversation to his PPS Robert Armstrong on Election Day that, if his party had more seats than Labour but no overall majority, his inclination would be to stay in office and meet parliament, rather than make any approach to the Liberals (Resignation of Mr Heath, PREM 16/231/60). The situation was more problematic than Heath had anticipated. Conservatives secured more votes than Wilson's Labour but, with 297 to Labour's 301, fewer seats. Their vote share was hardly vindicating, slumping from over 45 to under 38 per cent. In the absence of a clear victor, Heath felt that a new 'anti-Socialist' narrative of the result could be constructed based on a malleable Liberal vote that showed 'the desire of the substantial majority of the electorate not to have a Socialist government' (Aide Memoire for Thorpe Meeting, 2/3/1974, PREM15/2069/4).

[8] Certainly Heath's biographer argues that 'until the last moment Heath believed it might be possible to cobble together some arrangement that would keep him in power. He desperately wanted to do so' Campbell (1994: 586)

The question of what options were available to Heath was therefore based principally upon *prime facie* interpretations of legitimacy. Any strategic benefit in coalition or realignment gained credence as the result sunk in throughout 1974 – instead the post-electoral melee, by 2 March, was 'fast disappearing into the realms of symbolic logic' (Aitken, *The Guardian*, 2/3/1974: 8). This fluidity of the concept of legitimacy was exemplified by Lord Carrington – Conservative Party Chairman, Secretary of State for Energy and the first cabinet member consulted the morning after the vote. He viewed an advantage of ten seats for Labour over the Conservatives as insurmountable in the face of public opinion, but saw the eventual result as plausible grounds for retaining office alongside the Liberal Party (Resignation of Mr Heath, PREM 16/231/4). Lord Hailsham, formerly Quintin Hogg and by now Lord Chancellor and an influential part of Heath's circle, felt these negotiations were highly likely to fail and that:

> I think they will turn us down. If they do, I think they will have refused a chance of getting experience in Government and their best chance ever of electoral reform. (Diary: 1/3/1974 MS Hailsham 1/1/8)

Hailsham felt, on balance, that the Liberals 'will be obliterated at the next general election' (Ibid.), their rejection of coalition undermining their political credibility. If this suggests strategic intent on Heath's part, an attempt to expose the Liberals to the hard choices of government formation and puncture their insurgence, he showed no sign that he was offering a deliberately derisory deal and a poisoned chalice. Heath's preference was clear when prefacing cabinet discussions, suggesting that 'the nation would expect him to attempt the formation of a right-centre coalition' – the word ordering and phraseology perhaps significant, given the limited nature of mooted concessions to the Liberal Party (Cabinet Conclusions, 1/3/1974, CAB 128/53).

Liberal Intra-Party Discussion of Co-Operation

Negotiation on policy terms appeared to be encouraged by Heath's attempt to frame it as a skeletal crisis-based deal in which, upon entering, both parties would shed policies 'which did not have immediate priority in relation to the overriding requirements of the economic situation' (Meeting with Mr Thorpe, PREM 16/23/7). On these priorities, there was largely unalloyed success and agreement, particularly in the preliminary negotiations between the two leaders (Meeting with Mr Thorpe, PREM 16/23/7). Yet Thorpe was far from signed up to the implicit idea that the Liberals were compelled to act towards an 'anti-Socialist' solution, with the Conservative Party inevitable bedfellows. He was clear that 'there was nothing to choose between a minority Conservative and a minority Labour government unless one or other of them is prepared to accept some sort of commitment towards electoral reform' (PM/Thorpe Meeting, 3/3/1974, PREM16/23/15). When amplified to the public sphere, recounting negotiations to Liberal candidates in July 1974, Thorpe railed against the 'arrogant assumption that every non-socialist voter owes Mr Heath a living' (Thorpe to Liberal candidates, 2/7/1974, Meadowcroft 3/2/1). This was the result, in part, of a growing backlash against Thorpe's seeming enthusiasm for negotiation at any cost, a feeling that 'some deal

was being concocted' for those with a personal stake in in obtaining the benefits of office (Dorey, 2008: 31). This feeling of an elite-level stitch-up had its seeds in a meeting of ex and future leaders Jo Grimond and Lord Steel and a veteran of the Churchill-Liberal talks, Lord Byers.

Yet all three were, to varying degrees, against co-operation. Concern from Steel and Grimond centred on the danger of antagonising the party membership and the practicality of any agreement, given the two parties in combination lacked an absolute majority (McManus, 2001: 319; Barberis, 2005: 165;). Robert Armstrong, Heath's Principal Private Secretary, is clear that the Liberal Party, and Frank Byers in particular, were concerned about the party being 'swallowed up' and feared 'a repeat of 1924' (Armstrong, Interview, 2016). Lord Hailsham felt Byers was anti 'on the basis it seems as Lib chief whip at the end of the coalition in 1945' ('Diary: 2-3/3/1974, MS Hailsham 1/1/9).[9] Thorpe also had an acute awareness of antagonism to a deal among Liberal candidates and members. The Liberal leadership were fighting a difficult battle. Of the 100 defeated Liberal candidates with the highest vote shares, 98 lost to Conservatives. The membership particularly in the South-West were thought to be against any co-operation, and Thorpe read a series of telegrams urging against a deal on his train from Taunton to London (Bloch, 2014: 388; Donoughue, Interview, 2016). In a key meeting of the Liberal Parliamentary Party, Steel expressed frustration that many in his party felt 'under no circumstances should anything like this be contemplated' (Steel, 1980: 15; Torrance, 2012), regardless of its make-up in terms of party or policies. Hailsham noted that 'a number of intransigents do not wish to do business with us on any terms' ('Diary, 1/3/1974': MS Hailsham 1/1/8). Peter Hain, at that time a radical member of the Liberals National Executive, who Thorpe had worked hard to keep onside, warned of the dangers of mass resignation if there was any 'collusion' with the Conservatives, regardless of their leadership (*The Guardian,* 3/3/1974: 16; Dutton, 2013: 205).

Key Negotiation Themes

Heath's Leadership

Heath had driven a minimalistic negotiating line with the aim of 'forcing them to show their hand and discover what kind of programme they would support' (Cabinet Conclusions 1/3/1974, CAB 128/53). He had his answer, and it involved the personally unmentionable and, in Heath's view, the politically impossible – a reassessment of Heath's position as leader of any coalition government, and an unequivocal move towards electoral reform. David Steel, the Liberal Chief Whip, felt their vote was 'largely a protest against (Heath's) incapacity to deal with the worsening industrial crisis' (Steel, 1980: 14; Steel, 1991: 78-80). In as much as questions about what mandate their vote had supplied were relevant, there was an understanding that their vote owed more to 'none of the above' popular dislike of the other parties than positive support for Conservative-leaning policies (Butler and Kavanagh, 1974: 142). Heath was not willing to countenance

[9] When the Liberal Party in 1923, led by Asquith, had received a significant uptick in support, supported a Labour minority government second in terms of seats to the Conservative Party, and had subsequently slumped in the 1924 election a year later.

the prospect of resignation in the March negotiations, and there was little pressure on him within cabinet discussions or recorded conversations to consider his position. Yet the *Daily Telegraph* (2/3/1974: 1) reported that immediately following defeat Edward du Cann, the chairman of the 1922 Committee and no ally of Heath, was petitioned to force a leadership contest. Willie Whitelaw was widely touted by MPs 'not all of them by any means Whitelaw men' on the grounds there be an end to the 'paternalistic government of Mr Heath'. It is notable that this left open the possibility of an immediate alternative Conservative Prime Minister.

Heath assured his cabinet Whitelaw endorsed negotiations with the Liberals. The fact Heath mentioned Whitelaw's position in his opening address to his cabinet was emblematic of his internal position (Cabinet Conclusions, 1/3/1974, PREM15/2069 CM (74)). *The Spectator* (9/3/1974: 3) judged there was 'no sign that the plea of Mr Whitelaw was anything more than formal'. Whitelaw was the first Tory minister to publicly give first hint of concession that the party had been defeated, and senior colleagues saw him as 'a man of total political instinct – after the election, sitting in Cumberland, he saw that this was the end of the road' (Walker, *The Times*, 2/3/1974: 3; Young (Windelsham), 2008: 36, 5/6/1974). In his memoirs, Whitelaw is dismissive of talks with the Liberals (Whitelaw, 1989). But he clearly did see a route forward for the party that potentially involved inter-party co-operation, and following the February election 'did conceive of some kind of deal with the Liberals, though a much lower priority than a National Coalition' (William Whitelaw, 21/7/1974, Hetherington 21; Whitelaw's memorandum 'The Liberals' 28/6/1974, LCC 1/3/2/110-113)

The Thatcherite historian Robin Harris (2011: 477-8) argues Heath's persistence 'does not say much for the party's instinct for survival' and that the idea of coalition government 'was an incredible proposition, in the literal sense that no one outside (Heath's) immediate circle could believe it'. Yet the prospect of coalition was being led by enforced circumstances rather than strategic statecraft. Almost any realistic leader, and certainly Whitelaw, would have at least weighed up the prospect of coalition. And while internal Liberal pressure on Thorpe was strong enough for the Liberal leader to mention the uncomfortable issue of Heath's displacement, he assured him that it would not be a significant factor. Via the Conservative MP Nigel Fisher, Thorpe made it clear to Heath that he thought Heath 'was by far the most able man we had and he would be happy to serve' (Message from Nigel Fisher, PREM15/2069/11). There was an 'us and them' angle to discussions that showed a mutual appreciation of Heath's predicament – Thorpe said he had 'spoken to his boys', he 'could handle them' (Telephone Conversation – PM/Thorpe, 3/3/1974, PREM15/2069/13).

Electoral Reform

What was unquestionable was Thorpe's second demand, the changing of the rules of the electoral game. This was felt particularly keenly by Liberal elites and senior MPs who feared that otherwise, as Thorpe's Political Assistant put it, 'they would, sooner or later, be swallowed up' (Resignation of Mr Heath, PREM 16/231/28). This suggested an understanding, on top of losing protest votes against Heath's government,

that the shift of temporary right-wing support could lead to the re-identification of the Liberal Party as a subsidiary centre-right party. Certainly, the idea the Liberal insurgency was the result of contingent centre-right support gained significant traction as an explanatory theory. Conservative cabinet discussion dwelt heavily on the belief that opinion polling was partly to blame for the result, recalcitrant and rebellious 'traditional Conservative voters' swinging to the Liberals and inflating their support, due to a feeling a Conservative government was inevitable (Cabinet Conclusions 1/3/1974, PREM 15/2069/3). The Chairman of Opinion Research proffered 'a theory, no more' that Liberal and Labour support had been hardened by the seeming sureness of a Conservative victory (*The Times*, 4/3/1977: 14). Though analysis for the Nuffield series later ruled out the Liberal surge being to the benefit of any one party, there was a clear post-election feeling that Liberal votes had cost the Conservatives a majority (Steed in Butler and Kavanagh, 1974: 313-5).

Any electoral rationale for a deal therefore raised the question of where compromise could be made on the vexed issue of electoral reform, insuring Liberal independence. Thorpe argued the fact the Liberals' 6 million votes translated into just 14 seats 'gave rise to strongly felt dissatisfaction among Liberal voters' (Thorpe Meeting, 4pm, 2/3/1974, PREM15/2069/7). While there was certainly a sense of acute grievance at the result, this was a bit of a stretch. The waves of protests coming from around the country from Liberal members and associations centred primarily upon the prospect of an agreement with the Conservatives in and of itself, regardless of constitutional concessions. David Steel, his Chief Whip, had left his Borders constituency (after hearing of negotiations on the radio) with the warning of a local activist ringing in his ear, not on the merits or otherwise of electoral reform but 'don't you dare come back as a member of Mr Heath's government… he hadn't got his mandate' (Richards, 2015).

It was clear, if it had not already been, that for Liberals with direct sway over negotiations the absolute sticking point was a commitment on electoral reform. If anything can be made of Thorpe's priorities by the order in which he addressed them in his first meeting with Heath, electoral reform ranked more highly than the prospect of sharing the burden of an economic situation that, they both agreed, 'would require unpleasant measures'. Indeed, in their second conversation by telephone on 3 March Thorpe made it clear that 'before there could be talk about an economic package, a very strong feeling is felt about the electoral system' (Telephone Conversation, PM/Thorpe, 6pm, 3/3/1974, PREM15/2069/13). Thorpe was willing to move in Heath's direction, offering the possibility that a Speaker's Conference could be enough were both parties to guarantee they would endorse conclusions. The 'Churchill compromise' – PR in the form of STV for urban seats, and AV for rural seats – was also suggested by Thorpe, and was also seen in Liberal and academic circles to be the reform which would provide the greatest benefits for Heath's party (Steed, *The Observer*, 3/3/1974: 22). But there was clearly a strong element of bargaining uncertainty and distrust from Thorpe about what any Tory proposals on a Speakers Conference might mean in practice. Steel (1980:13) was similarly of the belief that anything other than a cast-iron guarantee that bound the Conservatives was 'fairly useless'. To aid this, Thorpe suggested any coalition government only be formed

after electoral reform and, in the way that epitomized the 'mutual mistrust of the dedicated plodder and the brilliant lightweight' (Bloch, 2014: 385; PREM15/2069/13), casually suggested this was a process that could take six to nine months to implement.

This epitomised the limited buy-in from Liberals for Heath's grounds for coalition. But, equally, the Conservatives were clear throughout negotiations that any reform could not pass through their parliamentary party. The disconnect between the cabinet and the backbenches – 'a kind of *corpus separandum*, part of the parliamentary party and yet isolated from it' – was perhaps particularly true on electoral reform, an issue which throughout 1974 'was becoming an establishment cause and was rapidly losing the taint of crankiness which had clung to it' (Bogdanor, 1996: 378). Yet backbench opinion appeared solely represented by Keith Joseph and Margaret Thatcher in cabinet discussions, who asked 'What would effect on parly party be of dabbling with electoral reform?' (Moore, 2014: 248). Thatcher recited the twin concerns of the electoral implications and constitutional principle, arguing that '5m Liberal votes are non-Liberal. They are ours, and if we coalesce we lose them for ever. And don't sell constitution for a mess of pottage' (Moore, 2014: 248). Other members of cabinet showed significantly more flexibility. But there was a broad acceptance the parliamentary party was an immovable force who, like Thatcher, viewed the short-term expediency of retaining office to not be worth the longer-term electoral costs of electoral reform (Cabinet Conclusions, CAB15/2069/16, 4/3/1974; Robin Butler, Interview, 2016).[10]

The extent to which Heath himself envisaged electoral reform as a plausible possibility, or even as a medium to long-term benefit to Conservative goals, is a moot point given he was resigned to its rejection by his cabinet and parliamentary party. Certainly, when questioned in 1992 in gave, in his biographer's view, the strong impression that he favoured proportional representation when discussing the merits of different potential reforms (Campbell, 1994: 804). Bogdanor (2015) and, at the time, Thorpe both believed that Heath's unwillingness to develop a strategy on electoral reform was in part due to personal opposition. But Heath believed that any cabinet endorsement of a Speaker's Conference on electoral reform would have quickly shrivelled in the face of parliamentary opposition (Campbell, 1994: 805). The Chief Whip, Humphrey Atkins, put the number of potential rebels at 50, and believed many more would abstain (Diary, 2-3/3/1974, Hailsham MSS 1/1/8). While seriously corroded intra party relations could not have helped, the mountain would have been near-impossible to climb in a more favourable context. Clearly Heath did not have the desire, nor the political capital, to push through a position on electoral reform that could have satisfied Liberal demands.

Type of Agreement, and Personnel

The formation and shape of any mooted agreement – whether it should be a fully formed coalition, or a confidence and supply agreement with the principal purpose of passing a Queen's Speech – was also a

[10]The pressure group 'Conservative Action for Electoral Reform' was established in 1974 and numbered about 100 MPs, the majority were still against reform. (Fisher, 2003: 69)

source of significant, but not insurmountable, contention between the two parties. The day after polling day, 1 March, a series of meetings was arranged with Heath's 'Praetorian Guard'. The meeting was attended by Heath's PPS William Armstrong, who noted that they gave 'an indication of their inclination towards an attempt to come to an understanding with the Liberals' (Resignation of Mr Heath, PREM 16/231/9). Cabinet discussions and conclusions – or, at the very least, their reporting – were similarly non-committal on the type of any agreement, merely that the Liberals should show whether 'they wished to keep a Conservative or a Labour government in power' (Cabinet Conclusions, CAB 128 CM(74) 9 1/3/1974). Heath, however, was personally in little doubt that full Liberal participation in government was preferable to other possible arrangements (Meeting with Thorpe, 2/3/1977, PREM15/2069/7; Heath, 1998: 518). In a letter, written between the first meeting of the leaders and their second conversation by phone, Heath crossed out many of the qualifiers first drafted. Heath was looking for 'an arrangement with the Liberals' rather than 'some kind of arrangement'; there would be Liberal ministerial appointments, rather than 'the possibility of ministerial appointments' (Thorpe Letter, 3/3/1974, PREM15/2069/14). Heath changed the stipulation on granting the Liberal Party ministerial office from '*on the other hand* your party would be committed to support the government in the House of Commons' to '*at the same time*, your party would be committed to support the government in the House of Commons' – lexical semantics that suggest a pre-occupation with maintaining the stability and coherence of both a united coalition cabinet, and some sort of legislative stability (Ibid.). Though it would far from guarantee executive stability, given a majority would not be secure, it would, theoretically at least, lock in Liberal MPs to a parliamentary bloc that would be larger than Labour's.

Inter-Party Discussions: March – October 1974

Lord Hailsham (1/1/8 Diary, 2-3/3/1974 MSS Hailsham) noted, somewhat bitterly, that:

> the Liberals have put Labour in power. In doing so they have done, I believe, damage to themselves. It remains to be seen far the country and the Conservative party will suffer too.

As Hailsham predicted, the functioning to Westminster's institutions ultimately seemed to adversely affect Liberal fortunes. A Conservative defence of First Past the Post had clearly constrained Heath and motivated those against a coalition in March. In October, both larger parties profited at Liberal expense. Yet the state of flux following the February election provided opportunity as well as difficulty. The result of October was not pre-ordained as soon as Heath left Number 10. An imminent election was assumed to soon follow, but the date was hugely uncertain. The public mood was consistently measured, both by internal Conservative and public polling, to be in favour of cross-party action, with a minority government seen as less preferable than formal co-operation (First/Second Post-Election Survey, ORC: CPA CCO 180/11/5/5-6; Business Decisions Poll, *The Observer* 28/7/1974: 1). But the plausibility of its formation was damaged by the negotiations of March, and the type of any agreement mooted unclear. The only thing

that remained clear was strongly unfavourable ratings for Ted Heath.[11] As a result any simplistic institutional explanation needs to be unpicked. Political circumstances seemed to rule out an inevitable return to the status quo of single party majority government, and many political actors' assumptions were built on that basis.

Indeed, by October 1974 many presumed another hung parliament was almost inevitable, committing what the academic Keith Ovenden described presciently in the *Financial Times* (21/9/1974: 16) as 'the gamblers mistake, assuming that because it happened before it will happen again'. The feeling at large among politicians and commentators, overcompensating for previous failure to grasp the potential consequences of a hung parliament, was that, if any certainty did exist, a repeat was the most likely outcome. And, perhaps more significantly, that this would not be a freak outcome but the result of a collective, and irrepressible, desire for coalition and co-operative government. The behaviour of actors when considering inter-party deals must be viewed with an understanding that the fundamentals of British electoral politics felt, even to politicians not inclined towards such thought, as if they were being restructured and rewritten. Most believed following the February election as Willie Whitelaw did, backed up by strong internal and external polling evidence, that 'the nation is in one of its coalition moods' (The Liberals – Mr Whitelaw, 28/6/1974, CPA LCC1/3/2/110-113; Ziegler, 2010: 464). Either reluctantly or enthusiastically, plenty more took this to its logical conclusion and agreed with the understated view of Lord Windelsham, the Conservatives' leader in the second chamber, that 'a government not commanding an overall majority in the House of Commons might possibly occur a bit more frequently in the future' (Steering Committee Minutes, 1/4/1974, CPA SC/74/2-27). This step-change in discourse surrounding multi-party politics from the evening of the 28 February, to the eve of the election on the 10 October can be captured by an Evening Standard headline two days before the second contest – 'Thorpe: Unity? I said it first' (*Evening Standard*, 8/10/1974: 1).

Labour Party stance on co-operation

Again, however, the idea of a new political climate did not convince the Labour Party. The decision of Wilson to appoint the triumvirate of Michael Foot, Tony Benn and Peter Shore to the ministries of trade, industry and employment provoked, two days after failed coalition talks, some Liberal MPs to talk of immediate cross-party parliamentary co-operation to overturn Wilson's minority government (*The Times,* 6/3/1974: 15). Benn (1989: 7/10/1974, 234), certainly, thought talk of a coalition of any sort continued to be advantageous to his party. The Labour position could continue to be explained by both institutional memory, and a wholehearted belief that their electoral position did not require a conciliatory approach. A *Times* (12/9/1974: 19*)* leader argued there was there was 'no prospect of the Labour Party as now constructed joining such an administration: the ghost of Ramsay MacDonald still stalks the party corridors'.

[11] Dire polling reports conducted by Opinion Research Centre saw the party's position go from 'distinctly unfavourable on every important issue' in April, to 'now less unfavourable to the Conservatives than it was even a month ago' in May

Certainly, Heath still discounted the prospect that Wilson, or indeed any Labour leader, would be prepared to lead the party into coalition (Steering Committee', 1/7/1974, SC/74/2-27). Thorpe viewed the institutional conservatism within the Labour Party to be caused by trouble from the Tribune Group and significant Trade Union support if the idea of coalition were openly broached (Jeremy Thorpe, 19/7/1974, Hetherington 21). Bernard Donoughue (2016, Interview), then advisor to Wilson, recalls that 'he had just had a fight that split the party over Europe. He had no intention of risking that again' – with Wilson in his private justification recalling, explicitly, the Ramsay MacDonald experience. Thorpe did attempt to persuade Roy Jenkins – seemingly the exception who proved the rule – on the grounds of personal ambition and:

> had said to Roy and would say it again that (Jenkins) stood no chance of being Prime Minister in the present situation, whereas he did stand some chance under PR and with a multi-party arrangement. (Jeremy Thorpe, 19/7/1974, Hetherington 21)

Yet even Jenkins', although privately saying he was 'thoroughly fed up with the party system, which he viewed as a conspiracy against the people' (Campbell, 2014: 438), felt Wilson had sufficiently brokered an agreement with the party's left on the party's policy platform and publicly 'hammered the coalition idea out of sight' (Donoughue, 2005: 8/10/1974, 214). And while, in part, a residual and moral ethos played a role – Michael Foot described a coalition as 'evil' and 'impractical' (Stewart, 2015: 100) – there were also objective strategic realities at play. For Wilson, 'all the talk of coalitions was just fine' (Harold Wilson, 10/7/1974, Hetherington 21). He calculated that Heath's toxicity neutralized any plausible advantages of a national unity platform, a situation that could only be aided by Heath's resignation. And while 'the idea of Ted's renunciation did worry the Wilson camp', this possibility always seemed remote (Butler Interview, Donoughue 23/10/1974). His calculation was that 'a vote for the Liberals would be a vote for the Conservatives, and the Labour waverers who had drifted away would come home' (Harold Wilson, 10/7/1974, Hetherington 21). Wilson calculated further Liberal gains were impossible unless Conservatives stood down (Interview, Donoughue, 2016) This would mean a net benefit to Labour, not any joint centre-right force. Internal Conservative research conducted by ORC concluded the party was seen as 'less competent in handling every major issue than Labour' (ORC Post-Election Survey, 13/8/1974, CCO 180/27/9/2). Although his advisors did not necessarily agree, Wilson believed the concept of co-operation was damaging for Heath's leadership, and *vice versa.* Wilson firmly dismissed coalition as 'Con policies, Con leadership by a Con party for a Con trick' (Pimlott, 1992: 646; Donoughue, 2005: 24/6/1974, 146).

Conservative Party stance on co-operation

The rationale from senior Conservative figures was that an agenda of national unity was worth a punt, if only because a Heath-led majority was so unlikely. Several senior figures were clear that this was a route to victory, and an accommodating stance to the prospect of coalition was a clear advantage over Labour in a challenging political landscape. Ultimately Heath's boldness in March was undermined by colleagues who desired more: faster earlier groundwork on coalition and greater emphasis on co-operation within the

conception of a 'Government of National Unity' (GNU), further attempts at a pre-electoral deal over seats and, similarly to the negotiations of March, a recognition that Heath may have to step down as leader to facilitate this (one that he was unwilling to give). But the combination of these demands was left largely ambiguous and unresolved.

Many were driven by a reading of a changing electoral landscape and the opportunity it created for Conservatives, coupled with the prospect of an election boiled down to a Wilson vs Heath contest. There was broad agreement on the benefits of at least appearing to be constructive in opposition, though 'there might be, in some cases, personality difficulties in direct links with opposite (Liberal) numbers' (Steering Committee, 1/4/1974, CPA SC/74/2-27). In a letter to Heath in March, Ian Gilmour – who was a powerful confidante during this period as co-author of the October manifesto, and effective liaison with backbench party committees – argued that 'almost the only chance of our avoiding defeat in the summer would be to make a limited electoral pact with the Liberals', without which it was likely Wilson would 'set the electoral and political mould for some time ahead' (Letter: Ian Gilmour to Heath, CCO 20/2/7, 26/31974). Douglas Hurd, the former head of Heath's office, similarly viewed the short-term tactics of coalition to be a necessity to neuter strong doubts over Heath's leadership. He argued that 'this is the best way for EH to disarm criticism of himself and win an election, if it comes' (Ziegler, 2011: 463). William Waldegrave, Hurd's successor as Heath's Political Secretary, was similarly keen (Waldegrave, 2015; Sara Morrison, 2016, Interview).

Support came from senior figures and ministers from both wings of the party. Julian Amery, a key figure in the right-wing Monday Club was in favour (although the club itself was certainly not), as was Peter Walker – a founder of the Tory Reform Group (Ramsden, 1996: 386; Ziegler, 2011: 463). Maurice Macmillan was also a vocal supporter of a 'national government' regardless of whom it included - though Butler and Kavanagh noted this had the hint of 'unwelcome back-seat driving from Birch Grove, where Harold Macmillan lived in retirement' (Butler and Kavanagh, 1975: 43). But there were other, perhaps more unlikely, sources of support for a fundamental change of position. Alec Douglas-Home believed that 'the public are beginning to grow out of the 'tu quoque' fashion in party politics', a feeling the Liberals had capitalized upon but an opportunity if 'we can steal their clothes between now and the election' (Paper by Sir Alec Douglas Home, CPA LCC 1/3/1/94). During the tortured drafting of manifestos in June he attacked a fifth draft – one that attacked the Liberals for having 'neither the men nor the policies to carry Britain through the crisis' – with his annotations noting that it 'smacked of business as usual' (Manifesto Fifth Draft, CPA LCC 1/3/4/2).

The strongest advocates of co-operation suggested two forms of deal with the Liberals: an explicit promise to involve Liberals in any coalition, regardless of the electoral and parliamentary arithmetic, or a pre-electoral pact between the two parties and a deal over seats. Conservative discussions about a division of seats were particularly pertinent immediately following the election – any deal with the Liberals that involved constituencies would be riddled with difficulty, and an election could feasibly be called at any

moment. From March until June Lord Carrington drove discussion as Party Chair and was keen to push a more active arrangement. Memos, old and new, flew about. Some talked about core principles, others the detailed calculations and machinations. Nigel Lawson, a strong proponent of the advantages of an arrangement with the Liberals in a limited number of constituencies, was aggrieved by what he saw as niggly and damaging short-sightedness by the Conservative machine. In a letter to Carrington that provided detailed calculations on a pact he told him he was right in sensing that 'most of the work which is done in the party on this subject … is written on the assumption that these arrangements are a bad idea'. Lawson was critical of other attempts that were evidently designed to do down the prospect of a pact, and argued:

> these Aunt Sallies are neither here nor there: what is needed is not to list various theoretical Conservative-Liberal electoral arrangements that manifestly do not make sense, but rather to see whether there is any such arrangement that does make sense. (Letter: Lawson to Carrington, 24/5/1974, CCO 20/2/7)

He calculated that there were strong grounds for a limited pact in 67 constituencies – leading to 31 gains for the Conservatives, and 37 for Liberals. Generous terms and a near quadrupling of their parliamentary representation would provide short-term benefits for the Liberals, designed to override the urgent requirement for electoral reform. But, ultimately, 'having used an electoral pact to gain an overall majority, we might then revoke the pact at the next election and annihilate the Liberals' (Ibid.).

Lawson was not alone in believing a pact to be desirable – a close advisor recalled Heath's inner team 'just talk and talk and talk about that' (Ziegler, 2011: 464). Three factors were key in determining Conservative levels of support for Liberal co-operation: whether the Liberal vote was viewed as latent Tory support, or more difficult to pin down; the extent to which the National Unity message was seen to chime with voter preferences that had become more receptive to co-operation; and how much emphasis was put on the effect co-operation would have on Conservative members and local associations, who were assumed to be hostile to co-operation in theory and practice. Lawson was certainly right that others within the CRD had produced data that was significantly less positive, but this was not wholly true. In-depth research of four key Conservative-Liberal marginal constituencies found Liberal support particularly flimsy: 55% of Liberals who were former Conservatives admitted they were quite likely to consider voting Conservative. (Liberal Survey, 31/7/1974, CCO 180/27/9/2). It was not Liberal policies that were attractive – the highest approval, of a range of policies, was for a referendum on the Common Market (Ibid.). The task was instead reputational, and boiled down to 'allowing our February 1974 image to die and replacing it with a 'national unity' image of moderation' (Ibid.; Bale, 2012: 215).

While the diagnosis was confirmed by repeated polling, the issue was whether the prognosis required the bold strategic manoeuvre of a pact, or a more nuanced position on coalition. Many of those inclined to bold strategy and an electoral arrangement were concerned about the practicalities of maintaining party morale and unity. Some on the moderate wing of the party, including then head of the CRD Chris Patten,

were worried that it would be thought of as expediency over principle, creating a 'positive explosion within the party if it did not work (providing the best possible terrain for Enoch Powell)' (Letter: Patten to Carrington, 23/4/1974, CCO 20/2/7). The CRD, although accepting that the party 'could not afford to disregard any possibilities' and containing figures such as James Douglas and Gilmour who were aware of the urgency of the Conservatives electoral position, was also producing documents that viewed the hurdles to be just too big (Letter: Nicholson to Douglas, CCO 20/2/7). Although they identified similar numbers to Lawson – including coming to an almost identical list of 31 seats – they came to strikingly different conclusions. The CRD concluded that the statistical analysis was not encouraging and 'it is difficult for both Conservatives and Liberals to gain a large number of extra seats from an electoral arrangement' (CRD Research Paper: Appendix A, CCO 20/2/7). Lawson, with the same data, felt 'that it would need to be confined to a carefully chosen minority of seats is true; that this would not be worthwhile is palpably false' (Letter: Lawson to Carrington, 24/5/1974, CCO 20/2/7).

Whitelaw had also produced a memorandum outlining his belief both that Liberal support was near impossible to pin down, as it came from a broad range of right wing discontents and newer and genuine swing voters energized by the image of moderation and reform Thorpe had effectively channelled. In private to *The Guardian* he expressed a concern that 'local Conservatives were very uneasy about the Liberals' (William Whitelaw, 17/7/1974, Hetherington 21). Whitelaw, when Chief Whip in 1969, had previously pondered that coalition might be possible in Britain but it would 'cause a great uproar in the Tory party, whose members still regard office as a prize they have no wish to share with others' (Ramsden, 1996: 386). So, although Whitelaw was in favour of electoral reform, and 'the party would have to change (as a result) … and the consequences would not be so disastrous', he saw this as ultimately the result of a post-electoral, multi-party scenario in which the Conservatives could play a lead role (William Whitelaw, 17/7/1974, Hetherington 21). Not committing to a coalition contrasted strongly with Wilson's sectional positioning, and was a stance 'more likely than any other to attract the bulk of Liberal voters while not alienating our party members' (The Liberals: Mr Whitelaw, 28/6/1974 CPA LCC 1/3/2/110-113). This position can also be explained by the fact he viewed a hung parliament as, at the very least, eminently plausible given the strong mood public towards party co-operation. Thorpe told Liberal supporters Whitelaw was personally convinced of the Liberal's continuing resilience and place within party politics: 'the hopeful thing is that we have (except for Ted, who is going anyway) convinced some Tories (e.g. du Cann and Whitelaw) that we are here for good, and may accept' (quoted in Bogdanor, 1996: 383). But preliminary discussions and hints that the party would consult with competitors would not, others thought, cut through to the electorate. James Douglas, head of the CRD, felt the electorate held an embedded 'illusion that the Tory party is a hard-abrasive party of confrontation … making cooing noises in opposition will not shake it' (Letter: Douglas to Fraser 20/4/1974, CCO 20/2/7).

Intra-party tensions within the Conservative Party were indeed initially exacerbated by co-operation talks, making the idea of pacts much more difficult. This was heightened by increasing friction between the parties

at a local level as campaigns tightened and intensified. The proportion of Conservative MPs who had Liberals as runners-up in their constituency had jumped from 6% in 1970 to 42% in February (Butler and Kavanagh, 1975: 42). Edward du Cann, Chair of the 1922 Committee, felt this was again a particularly acute problem in the South-West – where some of the pacts would self-evidently have to take place, given the Liberals' strength, but also where the party were particularly considered the 'ancien ennemi' (Du Cann, 1995: 216). A close advisor to Heath in 1974, who managed relations between Heath and an increasingly disgruntled national Union, said talk of specific constituency-level pacts 'showed Nigel Lawson living in cloud cuckoo land, where he has lived ever since' (Private Interview, 2016). Ultimately a shifting of personnel in June within the upper echelons of the party precipitated a shift away from considering a pact a possibility. Carrington, who had showed a typical ambivalence towards the National Union (the name, at that time, for the party's national voluntary body) handed over his position as Chair. Whitelaw replaced him and 'and that, as one advocate (of Conservative-Liberal co-operation) put it, 'was, in effect, the end of it" (Butler and Kavanagh, 1975*:* 44). Whitelaw's chief task was briefed as principally to 'restore the confidence of Tory voters in the constituencies, not least those who defected to the Liberal Party last February' (*The Times,* 12/6/1974: 6). This suggested movements not to accommodate the Liberal Party in co-operation, but to recapture Liberal votes.

Heath was, again, largely dictated by the prevailing winds. That is not to say he did not consider his options carefully. Butler and Kavanagh's (1975: 44) account notes that 'Heath, as usual, took time to think through the implications'. But he was hindered both by his inherent strategic conservatism, and the conflation of coalition with his own position as Conservative leader. The final manifesto draft, of which Heath talks about warmly in his memoirs, contained muzzled support for a coalition – suggesting the party would recruit from outside its ranks to endorse a government that could 'transcend party differences'. The movement towards what was, by the end of the campaign, an explicitly pluralistic position was tortured and glacial. Despite the support of key advisors Heath was not a pioneer for a formal pact and Gilmour felt he made 'no more than polite noises' about the prospect (Ziegler, 2011: 463). A continuing fear of a majoritarian mind-set loomed large over discussions, and Heath felt moves towards pluralism would be met not by a welcoming electorate with a thirst for new politics but rather 'cynics (who) were bound to say it was forced out of us by the expectation of defeat' (Heath, 1997: 524). Nigel Lawson, in retrospect, observed that Heath was 'never a fan of new ideas' – and he clearly felt that the political environment had not shifted enough for calls for coalition to be met with acceptance rather than through the prism of the success and defeat of binary political positions (Ziegler, 2011). Indeed, Heath is recorded fearing in a meeting of his strategic steering committee of 1 April that 'there was a real danger of creating a Conservative minority government through giving away seats to the Liberals' (Steering Committee 1 April 1974, CPA SC/74/2-27). This was not a concern many shared.

The movements towards the Conservatives' final internal settlement on a coalition were conducted publicly. It would be unfair to characterize them as slapdash, desperate and last minute given the internal debate that

had taken place since March. But the party certainly gave their opponents every opportunity to label them that way. Heath's memoirs suggest the eventual manifesto pledge to consult with other party leaders, and bring in talent from outside the sphere of politics, was an unambiguous call for coalition. But it was not received as such at the time. The figures mentioned, such as the chairman of Marks & Spencer Sir Marcus Sieff and senior Cabinet Office figure Lord Rothschild, were all either pointedly apolitical or publicly affiliated to the party (Hutchinson, *The Times*, 25/9/1974: 6). Certainly, if it mattered, policies were also in the end knowingly coalition-friendly. As Douglas Home had suggested, the Conservatives did their best to frame their campaign within a sense of economic crisis, and policy was largely non-specific and bargainable. Only Thatcher's mortgage rates policy was both clearly unacceptable to Liberals, touted as immovable and kept as a flagship policy. Despite a specific request from Heath, Thatcher was unwilling to drop the policy live on *Any Question's?* (despite her own personal reservations about the policy).

Yet at the heart of the problem was that a nuanced position of conciliation was not enough to cut through and define the campaign or, worse, was incoherent. Stagnant opinion polls heightened the need for action, and post-election co-operation was the party's remaining ace card. An *Observer* report leaked that there had been discussions about the possibility of Heath committing to standing down to facilitate an agreement. (Jenkins, *The Observer*, 2/10/1974: 1). Continual poor polling for the Conservatives emboldened Heath. His ambivalent position was largely down to the fact that he simply had yet to make up his mind, but he was partially carried by the logic that there was, by the closing weeks, nothing to lose (Hurd, 2004: 229). Demand for coalition, if we go by the polls, dipped as Election Day approached – in directly disproportion to the focus put on it in Conservative strategy. The same people who cautioned against inertia throughout 1974 – Carrington, Wolff, Morrison – were also advocates of clarification of both the coalition stance and Heath's position as leader (Cosgrave, 1985: 111; Ziegler, 2011: 464). This was because any advantage Heath and the party had from their coalition pledge (and some 69% of voters were aware of Heath's pledge, a fifth saying it made them more likely to vote Conservative) was not translating into polling traction as polling day neared (Butler and Kavanagh*,* 1975*:* 125).

Heath tried to clear up this ambiguity at the start of the last week of campaigning on 2 October as 'the onion (of national unity) began to be peeled layer by layer' (Butler and Kavanagh, 1975: 124); Heath promised that 'if we secure a majority we will not form our administration from Conservatives alone', and suggested a televised forum consisting of all the parties, modelled on the National Economic Development Council, to resolve economic and industrial policy (Aitken, *The Guardian*, 4/10/1974: 1). Within the bubble of the Tory campaign, whether Heath's should use the word 'coalition' was viewed as extremely important. Once he did, those around him commented on how much it liberated him in the final days of campaigning (Butler and Kavanagh, 1975: 129). It also had the precise reaction Heath had feared; post-electoral scenarios were intertwined with his personal position. Liberals had, throughout 1974, put Heath's leadership at the heart of the question (Butler and Kavanagh, 1975: 44). A meeting to discuss the reaction to the stance was leaked to the *Observer*, reported as aides confirming Heath would stand down if a post-election path to a

coalition opened up. On radio phone-ins and in media briefings, questions about Heath's position, much to his chagrin, were constantly put. Carrington, privately a key proponent that Heath make 'the ultimate sacrifice', told Robin Day Heath would 'never put his own personal position before the interests of the country' (Ibid: 126).

By the end of the October campaign a combination of both Heath's enemies and allies were united in urging him to stand aside. Again, Whitelaw acted as a brake, attempting to avoid the conversation at all costs in meetings of the strategic steering committee he chaired, given the clearly symbiotic nature of his and Heath's careers. Equally, Heath was never prepared to give his resignation letter before polls had closed, and was aided by loyalty among some senior figures, who saw no benefit in doing so. A conversation between Alan Clark and Deputy Chief Whip Jack Weatherill, recounted in Clark's diaries, confirmed Carrington's belief that 'everything was becoming too sophisticated for the public to understand' (Steering Committee, 1/7/1974, CPA SC/74/4). It is suggestive of the rift that existed between Heath and, particularly, sections on the right of his party.[12] It also epitomizes the perception of the public mood on the timing of coalition pronouncements, and demonstrated the issue of Heath's leadership continuing to dominate:

> "(Weatherill) 'How's it going?'
> 'So, so, only'
> 'No, I mean this Coalition idea. Are you getting it across?'
> 'They won't understand. It's far too late trying to sell that…'
> 'Well, that's the line. Do your best.'
> 'Look, Jack, we're not going to get anywhere while Ted is leading us. He's had it'
> 'Later, that comes later. Leave it for the moment"
> (Clark and Trewin, 2010: 3/10/1974, 36)

Liberal Party's stance on co-operation: March-October 1974

Jeremy Thorpe, for his part, both publicly railed against Heath's evasive position while being privately delighted. He argued that it is 'rather strange that you invite people to dinner, but you do not order the food first' (*The Times*, 9/10/1974: 5). But, equally, that stopped him from overtly having to RSVP, and accept or decline. While Thorpe stated that 'it would be invidious and wholly devious to engage in any pacts or agreements with any other party', this came just after tentative, brief discussions in June on just that topic, that fell apart upon mention of Heath's leadership (Butler and Kavanagh, 1975: 44). Indeed, Thorpe was in constant discussion with Conservatives, though not Heath himself. Thorpe's wholly uncertain stance, as unable and unwilling to give clarification of his own party's position as Heath, was due to internal

[12] News of Alan Clark's selection as candidate for the Kensington constituency particularly deflated the leader's office (Waldegrave, 2015)

discontent that had rumbled on from the moment he left negotiations at Downing Street in March. As the *Daily Mail* (3/10/1974: 15) pointed out:

> the pressures of internal party politics make him mask his real intentions in a smokescreen of evasion … the prospect of power still hovers enticingly. And Jeremy Thorpe is out there chasing it. Just like a politician.

Yet if he was chasing coalition it was constantly with one eye on the mood of his extra-parliamentary party, and he was in no way ahead of his fellow MPs. Butler and Kavanagh argued that his parliamentary party, largely negative about the prospect of coalition in March, throughout 1974 became more receptive to the idea, driven in large part by the weight of polling evidence. Steel (1980: 18) also felt a strategy of coalition 'pursued aggressively' had the support of Liberal MPs. Yet among activists, morale was reported to be low, and there was an increasing disconnect between parliamentarians and the broader Liberal Party – 'party officials outside Westminster' feeling the party was particularly vulnerable to the charge the party were 'mini-Tories' (*The Guardian*, 15/7/1974: 1). The internecine warfare was kicked off by Steel in June in a Liberal broadcast, which argued that:

> In our crisis, we surely need a much more broadly based government, backed by a real majority of public opinion … what we Liberals ask of you now is that at the next election, whenever it comes, you give us sufficient numbers in parliament to ensure the end of the system of one party government (quoted in Steel, 1980: 17-18)

Steel claims that the speech was toned down by Thorpe. It managed to be both overt and oblique, giving enough wiggle-room to backtrack and claim it was a call for a coalition of all the parties, rather than acceptance the party could fall one way or the other. And, when Thorpe's conference speech in September only mentioned in passing the prospect of a multi-party government, and claimed 'our objective will be nothing less than a total breakthrough', Steel was extremely disappointed – particularly as, in truth, was targeting 'between 40 and 50' seats (Jeremy Thorpe, 8/5/1974, Hetherington 21). The mere fact of Thorpe's consultations had contributed to a public idea that the Liberals were closer to the Conservatives than to Labour and had raised deep suspicions among an activist base wary of compromising their claim to be on the left of British politics. The campaign launched by Steel's party broadcast, but also supported by Thorpe in a television interview, was an unexpected attempt to strong-arm a broad party that prided itself on internal consultation, and an influential Young Liberal grouping strongly against any agreement (Torrance, 2012: 68; Bloch, 2014: 403-4). This led the party's National Executive at their next meeting in on 29 June (with all MPs absent) to pass a resolution that:

> The Liberal Party will not join a coalition with the Conservative Party or the Labour party separately and will make this clear to the electorate at the next General Election. (NEC Minutes, 25/6/1974, Liberal Party/1/8)

The leadership, fully aware of what their statements had meant, cried foul and Thorpe – in a cool, emergency meeting between the Executive and the parliamentary Liberal Party – claimed media misrepresentation as an unwelcome by-product of the success of his leadership (Joint Meeting: NEC/PLP, 11/7/1974, Liberal Party/1/8).

The ill feeling, though, carried over the summer to the Liberals' annual Autumn conference in Brighton. The Liberal monthly *New Outlook*, whose editorial team included many of Thorpe's senior advisors, came out in August against a two-party coalition and in support of the Liberal Party working constructively with a minority government (Clark, *The Times*, 2/8/1974: 3). The Young Liberals denounced Thorpe as 'a traitor to the party' and pressed against the idea of forming any coalition, while specifically attacking a centre-right arrangement given 'the Tories have sheltered in the palaces of inequality all their lives … Liberals have been storming these palaces all their lives' (Torrance, 2012: 68). The resulting triangulation led to a position that was mystifying to outside observers. The party passed two motions: one against a coalition, and another – by a majority of six to one – accepting the need for the parliamentary party, after a non-binding meeting of the Party Council, to decide come October. This gave Thorpe a degree of bargaining flexibility and was thought of as a personal success and mandate for post-election discussions. But clearly there was a widely-held belief that committing to coalition would be a vote-loser. The party did not fully embrace the idea of coalition and Steel (1980: 19) felt 'the party had really flunked the issue of participation in government as a mean of getting more Liberals into parliament'.

Thorpe's position throughout the campaign was almost defiantly flexible. When briefing *Guardian* journalists, he stoked the prospect of coalition and talks with both Wilson and Heath, and they ultimately came out in support for his party on the basis that the 'attraction of a Liberal vote is that it makes agreement more likely, whichever party is dominant' (*The Guardian*, 7/10/1974: 10). He continued to press Heath's leadership as a barrier to agreement, thereby distancing his popularity from Heath's toxicity: arguing that 'architect of confrontation in February is not exactly the apostle of unity to hold together all political parties in a government' (Ibid.). Heath's continued public association of a government of national unity with a Conservative majority was an effort to bypass pressure on himself. But, resultantly, Thorpe could argue publicly that an agreement was unlikely in the extreme while 'making detailed contingency plans', believing it was the most likely outcome and organizing a helicopter on standby to take him from his Devon constituency to London at short notice. In the end, although he flew the kite of coalition with some skill the electorate kept his helicopter firmly docked.

Conclusion

Institution-Facing Constraints

Throughout 1974, there was a central paradox within discussions around co-operation, resting on perceptions of the institutional constraints of British politics. Heath's call for National Unity and a coalition government were thought to be gaining wider credence and popularity. By October 1974, 48% of

Conservative supporters preferred the idea of a Lib-Con coalition, or co-operation in government involving all three main parties; 49% favoured a Conservative majority (ORC poll in *The Times*, 5/10/1974: 4). But Heath was an implausible and unpopular head of any coalition (Ibid.). Heath's personal popularity was problematic before the first election of 1974, but his rapidly diminishing standing post-election must be seen principally as a by-product of his ejection from office in March 1974. This spoke to a truth about the party system and the role of perceptions of success and failure within it, and partially explains why the strain put on the two-party system throughout 1974 was an aberration, rather than a fundamental recalibration. The concept of parties working together to solve intractable crisis had a surface appeal. But the Liberal vote remained largely 'negative' rather than offering a positive endorsement of a new politics (Butler and Stokes, 1974). Sara Morrison (Interview, 2016), who was at the heart of Heath's campaign in October 1974, judges in retrospect that:

> of course, we stuck to our guns and argued that there was a genuine democratic taste for it (a coalition government) in the broadest sense. Let's face it, in terms of the sort of mood of the times, it is slightly more questionable at this distance than was convenient to think at that time.

The concept of a burgeoning desire developing within the electorate for co-operation between parties was, indeed, probably over-egged. Jeremy Thorpe's call for coalition may have been one that reflected, as he claimed, 'the views of millions of people' (*The Times*, 18/9/1974: 4). But despite a stretched number of candidates, the Liberal vote in October fell and, in 93% of constituencies the party fought in both contests, their proportion of the vote was squeezed (Cook, 2010: 159). The (correct) assumption of many political actors involved continued to be that the Liberal vote would 'return' to the two main parties in a second election. This points to the fact that co-operation and Liberal influence in government was not a potent message, and there was minimal evidence of tactical voting in support of the Liberal Party. The Liberal message on co-operation was defined by the two larger parties: stifled by Wilson's refusal to discuss coalition, and damaged by Heath's assumed leadership of any mooted coalition. As any Liberal gains were likely to be in Conservative-held seats, and only Liberal-Conservative co-operation appeared plausible, the imperative to vote Liberal was stifled. The inter-party politics of co-operation was damaging to the Liberal Party's vote. Internal Conservative polling showed that people (rightly) felt the idea of 'national unity' was being pursued for partisan advantage, research describing it as a 'trick' (Butler and Kavanagh, 1975: 261). Indeed, the widespread assumption, by the time the election was called in the Autumn of 1974, was that a majority Labour government would be elected. The resilience of the two-party system in 1974 during a key period of challenge and institutional flux is, in retrospect, more striking than any sustained voter-led demand for a different party system.

However, there was clear and recorded support among the electorate, when asked, for the idea of coalition, particularly in the Summer of 1974 – so much so that Labour politicians dampening down the possibility of coalition had also to talk down opinion polling: Michael Foot argued that the obsession with opinion

polling was 'one of the diseases of our age' (Hatfield, *The Times*, 20/7/1974: 2). Voters when polled were found to prefer coalition to a minority government during the short campaign (*The Guardian*, 6/10/1974: 1). Polling by ORC in March 1974 on proportional representation showed 74% of Conservative voters in favour of a change to the electoral system (Bogdanor, 1981: 152). Much of the internal Tory push towards coalition was driven by internal research and polling (Bale, 2012: 215). Political scientists took to the media to argue that the result of the February election had led to the collapse of the post 1945 system, a voter rather than politician-driven change. Actors involved now downplay the extent to which a deadlock was forecast prior to the short campaign. But, much as in the run-up to the general election of 2015, many political elites were misreading the electoral runes, arguing the political system was in a 'transition period' (*The Guardian*, 15/9/1974: 10) and forecasting a recalibration when instead there was a return to the norm of single party government – albeit with a small Labour majority, the unravelling of which ultimately led to the Lib-Lab pact.

Assumptions about how Westminster was supposed to function clearly drove the behaviour of actors, during the key flashpoint of post-election negotiations after the February election. Reacting to a hung parliament, the political reality for Heath was not necessarily based on constitutional and historical precedent. The idea that the election had a clearly defined winner – and that the winner was Harold Wilson and the Labour Party, and not Ted Heath and the Conservatives – clearly restricted these negotiations between Heath and Thorpe. Public opinion was used as a key justification for opposition to co-operation within the Conservative Party – Thatcher is recorded as reacting to co-operation in cabinet by arguing 'my goodness me, we can't do that – think how many votes we will lose' (Bogdanor, 1996: 373). Heath and his inner cabinet's attempted construction of the February result as an anti-socialist majority, formed from pro-European sentiment, clearly suggested politicians unrestricted by their sources of support and their campaigns. In the immediate aftermath, both leaders were less 'voter-facing' and more concerned with intra-party pushback. But, equally, Heath clearly felt that co-operation required a narrative of exceptionalism and crisis as well an anti-socialist governing purpose. Any agreement needed to be framed as in 'the national interest', with the need for an administration that would be 'sufficiently stable … to command the confidence overseas' (Heath/Thorpe Meeting, PREM16/10, 2/3/1974). The Liberal Party resultantly found escaping the idea co-operation would be dominated by the Conservatives difficult. Thorpe perhaps may have been inadvertently guilty of accentuating this problem: by October 1974 he was boasting that he was 'the only man in the country who was asked to join a *Tory government* and turned it down' (Smith, *The Guardian,* 3/10/1974: 6). Defining Conservative-Liberal co-operation in government was clearly problematic. The Liberal call for a 'classless coalition' (*The Guardian,* 15/7/1974: 1) showed a party aware of the structural constraints, but unable to confound them.

Party-Facing Constraints

The need to placate intra-party opinion on co-operation clearly complicated strategic calculation on co-operation. Whether Wilson would have pursued co-operation with the Liberal Party in 1974, of the kind

his predecessor Jim Callaghan entered into three years later, remains an untestable counter-factual. But Wilson's consistent 'no negotiation' strategy was widely believed and understood – any Lib-Lab coalition or agreement was seen to be very unlikely. How much this was the result of political strategy, or whether it resulted from a genuine antipathy to coalition that Wilson shared with his party-at-large, is difficult to pick apart. The historical resonance of Ramsay MacDonald, and Labour's reluctance to enter into any co-operation with competitors was real. Bill Rodgers, later one of the key figures within the formation of the SDP as a member of the Gang of Four, argued for minority government without any deal with other parties on the grounds Labour voters felt 'half a socialist loaf is better than no bread at all' (*The Times*, 12/9/1974: 4). The Labour Party's strategy of 'no-negotiation' was imbued with the idea that co-operation was not just counter-productive, but chimerical.

If the internal Labour position on co-operation was cohesive and united, albeit not fully stress-tested, the Conservative Party was instead fundamentally divided. There was an ideological tenor to disagreement about co-operation with the Liberal Party. Supporters of the National Unity concept, who argued it should be maximised to a full-blooded pre-electoral call for inter-party co-operation, were largely self-described One Nation Conservatives. They were largely supporters of Heath, who believed the strategy was the best chance of regaining office under his leadership. Those against were largely on the right of the party – not least Thatcher and Joseph in post-election discussions. This points to the intra-party balance of elite power, which remained largely supportive of Heath. As the October election drew closer and the party looked to be sleep-walking to defeat, the prospect of a renewed period of opposition brought clarity to the Conservative decision-making process.

But Conservative MPs were largely sceptical about the benefits of co-operation, and were an intractable barrier to any movement from Heath on electoral reform. There was little real attempt by Heath to assess levels of support among his party grassroots, or to win around the body of MPs who remained resolutely opposed to co-operation. But the lack of any such attempt was largely because opposition to co-operation within the party-at-large was viewed as inevitable, and the possibility of constructing support for co-operation within the parliamentary party seen as wholly remote. While, for example, *The Daily Telegraph* (27/6/1974: 18) talked up the idea of Con-Lib co-operation, these conversations on coalition and National Unity were thought to be principally driven by discussions taking place in 'political circles' which meant, reflecting the centralising tendencies of the British Political Tradition, Westminster and specifically the elite levels of the Conservative Party (Butler and Kavanagh, 1975: 44). The Conservative National Union – the party's grassroots base, largely thought to be increasingly antagonistic to Heath's leadership – were an unspoken presence throughout discussions within Conservative Central Office, among Heath's advisors and within the Conservative Research Department. There was a tension between those working within the party's central organisation, and those working within Heath's inner circle: the former more likely to be supportive of co-operation, the latter viewing the intra-party and organisational obstacles as an intractable barrier to theoretical strategic manoeuvres such as tactical electoral pacts. This is why the replacement of

Lord Carrington with Willie Whitelaw as Chair of the Conservative Party was key. Whitelaw's sensitivity to grassroots feeling made obsolete many of the discussions and calculations on co-operation that took place in the immediate period following the February defeat.

The Liberal Party had clear lines of division on co-operation. Prior to February 1974 it was remarkable how little the prospect of coalition was discussed within the Liberal Party given it was the only realistic route to power. There was little or no institutional memory of the party's scars from the post-war period of readjustment, largely as few who were involved remained active in the party (Steel, Interview, 2016). But it is also notable how much co-operation was debated in this inter-election period of 1974. Peter Hain (*The Times,* 10/9/1974: 8), then a prominent radical head of Liberal Youth, which consistently and loudly opposed movements towards co-operation, argued that any Liberal-Conservative coalition would mean 'the bottom would fall out of the party, leaving only a public school rump'. This again spoke to both dynamics of intra-organisational power and ideology. Clearly the Liberal leadership was keener to pursue an agreement on a cross-party basis to ensure government than the party-at-large. Radical elements of the Liberal party ferociously opposed co-operation. The was a residual, but noted, institutional memory within the party that previous attempts at cross-party activity had meant 'the smothering embrace of the Conservative giant' (*The Times*, 12/9/1974: 10). There was consistent opposition to the concept of any form of inter-party agreement from a large minority of the party's active membership. But, apart from Cyril Smith, there was relative agreement on tactics and strategy among Liberal MPs, whose support for co-operation appeared to harden as it appeared increasingly plausible. While the decision on entering into co-operation would be made by MPs, the Liberal Conference in September 1974 decided they would have to listen to (but not follow) the advice of a 250-member Liberal Council meeting. These battles were fought internally, and openly. A lot of energy had been expended on what turned out to be a hypothetical post-election scenario. But by October there was a truce that, if the electoral arithmetic had allowed it, would have given Thorpe a path to government.

Heath: Defending 'existing institutional equilibrium'?

The idea of both a Lib-Con post-electoral coalition in March 1974, and a 'national unity' coalition in October 1974, were two different, rational answers by Heath to one fundamental question: how to use the concept of co-operation to maintain and regain political office. There is a sense among those who knew Heath that he saw a national government not only as an electorally expedient framing, but as an inherently superior form of governance to single-party majoritarianism (Butler and Kavanagh, 1975: 45; Armstrong, 2016, Interview; Morrison, 2016, Interview). This judgement on Heath's preference for co-operation can be levelled with his welcoming noises and actions around the SDP's creation – not least his (somewhat presumptive) public pronouncement he was willing to act as a Conservative Prime Minister in a Conservative-Alliance administration, and later (albeit largely tacit) support for electoral reform (Haviland and Clark, *The Times* 28/11/1981: 6; Campbell, 1994: 804). But a belief in his indispensability does not make him unique among party leaders, in 1974 or any time before or since. The rhetoric of national unity and a

'anti-socialist' framing, with its clear echoes of Churchill's promotion of Conservative-Liberal co-operation, came naturally to Heath, principally, because 'he sincerely despised Labour and continued to see himself as the true national leader' (Campbell, 1994: 637).

Heath's moves on co-operation in 1974 were, on the face of it, expansive and ground-breaking – a reaction to a growing public appetite for pluralism. But tracing the negotiations shows Heath operating what was principally a defensive strategy. The rational calculation, and the strategic workings of Heath and his advisors, were clear. The management and containment of a strengthening Liberal Party was the key imperative – those advocating coalition, including Heath, felt it would undermine the Liberal Party's fragile electoral base. Aborted internal Conservative discussions about a pre-electoral coalition rested on their hypothesised effect, over two electoral cycles, of damaging the Liberal Party. It would lead to a 'return' of these voters to the two main parties and, principally, the Conservative Party. Heath's preference for a Conservative-Liberal coalition over a minority government in March 1974 could perhaps suggest a sympathy for achieving reform of Britain's political institutions, and the Conservative Party's place within them, through co-operation. However, mooted pre- and post-electoral coalitions were grounded in exceptionalism and the language of economic crisis. Equally, the concept of co-operation and its perceived resonance was used as a strategy to blunt criticism of Heath's leadership, the introduction of an issue dimension to shift the political debate away from Heath's problematic leadership. The key aim was to defend Heath, and the Conservative Party's, position within the existing two-party system.

Peter Hennessy quotes William Waldegrave, a central advisor to Heath throughout 1974, who described Heath's outlook as a belief that, 'with the help of dispassionate and largely apolitical advice, previously intractable problems could be rationally solved (Hennessy, 2000: 344); he also cites David Owen, who described Heath as a 'rather radical person' (Ibid.: 333). But if Heath held a strategic mind-set that gave him the flexibility to pursue and conceive co-operation as a novel electoral strategy, he lacked the rhetorical skills to achieve it. The clear criticism to be made of Heath's stratagems on co-operation is that they were ineffective. They clearly show that co-operation, if used as a strategy, must be matched with an effective rhetorical appeal. As Heppell (2014) argues, Heath is often unfairly used as a convenient 'yardstick against which leadership and governing incompetence should be judged'. The concept of national unity showed Heath's strategic flexibility, but his weaknesses caught up with him and he lacked the intra-party capital to realise his aims. And, if heresthetical manoeuvres are the art of pushing and reframing the possible in pursuit of the rational, it was Heath's inability to master the art of selling a coherent vision of national unity that was problematic. Each time he reached for co-operation, either in March or through the gradual inter-election movement towards a pre-electoral coalition position, it was a reactive decision to defeat, or the prospect of it. Heath's national unity concept is largely forgotten. Those involved at the apex of the October 1974 campaign defend its effectiveness and describe it as 'one of the unsung successes of post-war campaigning since the Second World War' (Waldegrave, 2015). However, what is most striking is Heath's inability to reframe the political conversation to make the politics of co-operation central. This was both a

rhetorical and a strategic failure: internal critics argued the party could have been 'tougher in attacking Labour for rejecting (a national government)' (Butler and Kavanagh, 1975: 259); in retrospect, it is less clear that the latent appetite existed that could have made it the key electoral cleavage in October 1974, particularly given Heath's unpopularity.

Thorpe: disrupting 'existing institutional equilibrium'?

Key to understanding the Liberal's strategy throughout 1974 is their attempt to straddle two countervailing forces – an electoral surge for the party, driven by their positioning as a repository for discontent with the two larger parties (and principally the Conservatives) and a desire to benefit from what, particularly after the February election, appeared to be a real desire for co-operation in government among the electorate. In March the former political impulse, the vote-seeking tendency of a successful electoral insurgency, prevailed: there was very little enthusiasm for coalition, so much so that it is, in retrospect, largely dismissed by many of the key actors involved (Thorpe 2014; Steel, Interview, 2016). What was clear from the coalition negotiations is that there was no belief in coalition as a formative moment in recalibrating the Liberal Party's appeal, and little trust in the Conservative offer of a 'Speaker's Conference' on electoral reform – the (probably correct) assumption was that the Liberal Party would be 'sucked up' by any coalition, and there would be no institutional change to soften the blow (Dorey, 2011). Heath's call for national unity in the inter-election period, if it had been matched by Wilson, would have meant the Liberal Party might have been able to ride both waves: appealing to discontented voters from both parties, while also able to push the idea that the party was serious about co-operation. In walking this tightrope between coalition and independence, Thorpe was more successful than his party's decline in support between the elections of February and October suggests. The Liberal Party's resilient polling continued throughout the summer of 1974. Newspaper editorials may not be a guide to public opinion, but they are a useful indicator of how seriously those in Westminster continued to take the idea of the Liberal Party in government: both the *Daily Mail* and *The Times* endorsed the idea of a coalition with Liberals in government to its readers. There was a continuing belief that Britain was now operating in a party system where coalitions were increasingly likely.

Robert Ingham (2015: 210) has noted that Thorpe was 'a tactician rather than a strategist, at best dreaming up a new way of raising money but unable to develop and articulate a long-term strategy for his party'. The biggest priority for Thorpe was the maintenance of the electoral bubble that had led to the party's success in February 1974. It meant a triangulation: leaving open the possibility of co-operation with other parties, but also indicating a hesitance to enter into any inter-party agreement except for a 'limited period', in response to what is 'in the national interest' (*The Times*, 12/9/1974: 1). This meant placating rather than challenging critics of co-operation. Thorpe reiterated at the party's conference that only exceptional circumstances would lead to coalition. Agreeing the party-at-large via the Liberal council could advise the parliamentary party, rather than veto any agreement, opened the path to a post-election agreement. But there was no attempt to lead the party towards a position in favour of co-operation. Fear of internal criticism among MPs meant calls for coalition had to be offset by a renewed and continuing insistence that the party

could form a majority government leading, as in 1950, to a commitment to fighting over 600 seats *(The Guardian*, 15/7/1974: 1).

David Steel's principal criticism as Chief Whip – voiced internally at the time, and publicly afterwards – was that the party had said little about co-operation, and what they had said had been ineffectual and confused. The Liberal's movement towards coalition was closely associated with Steel. Speculation around Jeremy Thorpe's personal life increased from late 1974 onwards, and the sustainability of his leadership came under doubt, Steel was favourite to replace him but it was felt that 'against him (Steel) is the party-political broadcast he made between the two 1974 elections, reviving coalition talk, now seen to have sent party strategy on a misjudged course at a crucial time' (Young, *The Times*, 19/9/1975: 14; Bloch, 2014). Thorpe's ability to distance himself from this call for coalition, was emblematic of his party-facing priorities and an approach to leadership that prioritised internal support over bold action on co-operation. But the desire for co-operation was more transient than polling suggested. As the Liberal historian Chris Cook (2010) put it 'the promised land had turned out to be a shifting mirage'.

CHAPTER FOUR – The Formation of the Lib-Lab Pact, April 1976-March 1977

1976

5 April – Jim Callaghan elected Labour leader.

5 April – The government no longer has a technical majority, though continues to have reliable support from two Irish Nationalist MPs.

9 June - Thatcher proposes a vote of no confidence in the government. The government win, 309-290.

7 July – David Steel elected Liberal leader, in a contest against John Pardoe. He had called for a renewed attitude to inter-party co-operation during the campaign.

18 September – Steel uses his leader's speech at the Liberal annual conference to expound the benefits of coalition.

22 October – Steel writes 'an open letter from an admirer to Mrs Shirley Williams', in which he outlines 'the need to co-operate with others'

4 November – Two shock by-election defeats, in Walsall North and Workington, erode Labour's parliamentary strength.

10 September – Roy Jenkins and David Marquand's appointment to the European Commission further dents Labour's parliamentary position.

1977

22 February – Labour lose a guillotine motion on devolution, thus losing the tacit support of the nationalist MPs.

24 February – Michael Foot announces cross-party talks on devolution legislation, following cabinet approval

3 March – Callaghan and Steel meet to discuss devolution legislation.

17-18 March – Labour retreats on an Expenditure White Paper they are set to lose, prompting Margaret Thatcher to announce Motion of No Confidence.

19-20 March – Bill Rodgers and Steel discuss the prospects for inter-party talks, and a meeting between Callaghan and Steel is arranged.

21 March – Callaghan and Steel's first meeting to negotiate a pact.

21 March – Liberal MPs meet and discuss principle of pact, and potential terms. Broad support if aims are fulfilled, only Grimond and Penhaligon object.

22 March 12.30pm – Steel, Callaghan, Michael Foot and Tom McNally discuss the terms for a pact Steel set out.

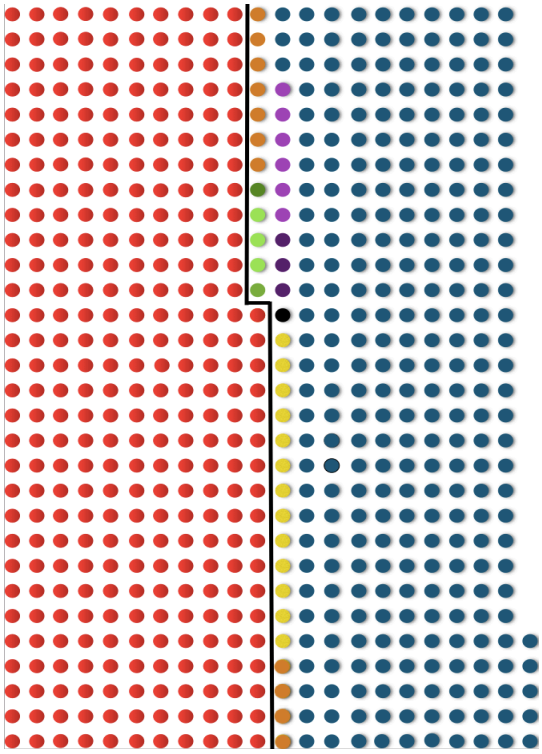
22 March 5.00pm – Steel, Callaghan and Foot meet to discuss a pact.

22 March 9.45pm – Steel, Callaghan, Foot and Pardoe negotiate. Pardoe leaves, negotiations continue and terms for a pact are agreed.

23 March 12.30pm – Cabinet meeting endorses the pact, by 20 votes to 4.

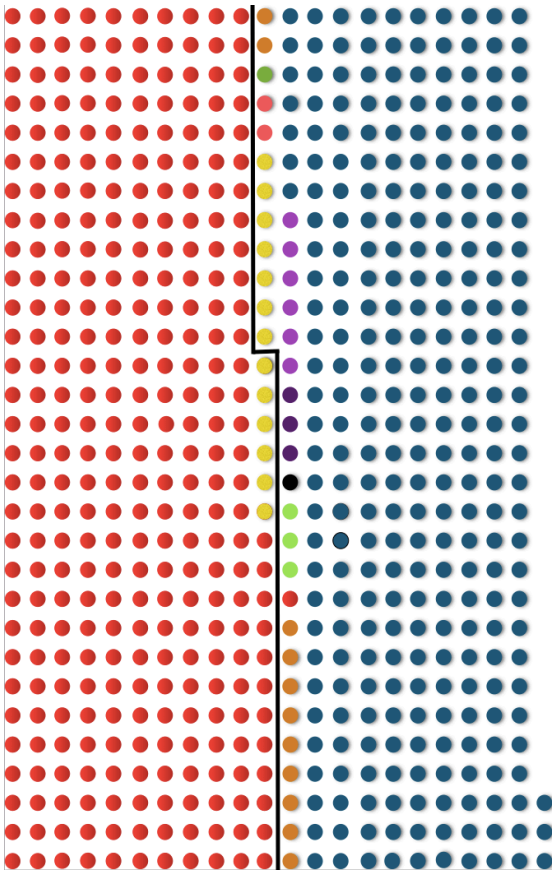
23 March 3.30-9.30pm – No confidence motion debated, Joint Statement by the Prime Minister and the leader of the Liberal Party announced. No confidence vote defeated by 24 votes.

Figure 1: Seat Distribution in the House of Commons, Wilson's Resignation 16 March 1976



Party	Seats (% of total)
Labour	**318** (50.0)
Conservative	**278** (43.8)
Liberal	**13** (2.0)
SNP	**11** (1.7)
UUP	**6** (0.9)
Vanguard/UUUP/ Ind. unionist	**3** (0.5)
Plaid Cymru	**3** (0.5)
DUP	**1** (0.2)
SDLP	**1** (0.2)
Independent Republican	**1** (0.2)

Figure 2: Seat Distribution in the House of Commons, Formation of Lib-Lab Pact 23 March 1977



Party	Seats (% of total)
Labour	**312** (49.3)
Conservative	**280** (44.2)
Liberal	**13** (2.0)
SNP	**11** (1.7)
UUP	**6** (0.9)
Vanguard	**3** (0.5)
Plaid Cymru	**3** (0.5)
Independent Rep.	**1** (0.2)
SDLP	**1** (0.2)
DUP	**1** (0.2)

'The essence of the agreement was contained in the spirit in which it was struck, not in the number of immediate concessions of value.' David Steel, *The Times*, April 18 1977: 12

'John Pardoe (Liberal Economic Spokesman) asked whether it had occurred to the Lord President (Michael Foot) that, if Labour produced a Bill to provide for proportional representation, the Liberals would campaign to form a coalition with them after the election? The Lord President said he recognised that the Liberal's commitment to proportional representation was not entirely characteristic. Many members of the Labour Party thought that proportional representation exaggerated the power of middle-ground parties. Just as the Liberals had a permanent interest in PR, the Labour Party had a permanent non-interest'.
Notes on a Meeting: Michael Foot and John Pardoe, 9.45pm, 21/3/1977 PREM 16/1399/44

Overview: Political Context and Heresthetic Strategies

The Lib-Lab Pact, a parliamentary agreement forged between a minority Labour government and the Liberal party, was the first formal cross party agreement in post-war Britain. It ran from 23 March 1977 to June 1978, and led to the Liberal party being consulted on the government's activity as well as some legislative input, particularly on a proportional method of election to the European Parliament. The agreement was the result of negotiations conducted by both parties following slowly diminishing parliamentary support for the Labour Party. Philip Norton (2004: 190) described the period between 1974 and 1979 as a unique period in twentieth century British political history because of the juxtaposition of two seemingly contradictory characteristics: the fragility of the Labour government, and its longevity. The period of Wilson time as Prime Ministers between 1974 and 1976 is one that is often overlooked in analyses of Wilson's statecraft, which naturally focus principally on Wilson's longer (and more thoroughly documented by contemporaries) period as Prime Minister (Crines and Theakston, 2017; Timmins, 2017; Seldon and Hickson, 2004 is a key exception). That this period encompassed the referendum on EEC membership, which saw a fostering of cross-party activity (Saunders, 2017), was the result of one of two sources of governing instability experienced by both Wilson and Callaghan: the parliamentary arithmetic, which ultimately created the critical juncture that led to the Lib-Lab pact; and the internal tensions and divisions within Labour intra-party politics, and the need to retain cohesion within the Labour parliamentary party, which created a persuasive logic against inter-party co-operation. The tactical advantage both Wilson and Callaghan both shared was a broad understanding of the fault lines in the Labour party (Bogdanor, 2004: 6).

Historical analysis of Harold Wilson broadly perceives this to be a period of inexorable decline (Morgan, 2017), with Wilson struggling to retain a governing grip amidst the problems caused by this political context. However under Wilson's leadership, as this chapter shows, the clear vulnerability of the government did not translate into calls for inter-party activity. The memoirs of the chief secretary to the Treasury under

both Wilson and Callaghan, Joel Barnett, describe the Labour party as 'so divided that it is difficult even to regard it as a coalition' (Barnett, 1982: 84). The formation of the Lib-Lab pact, as this chapter demonstrates, was seen contemporarily by many on the left of the parliamentary Labour party as the end-point in a process away from a democratic socialist Labour party (Benn, 1990: 91-100). It exposed the extent to which the Tribune Group of Labour MPs – represented and led in the cabinet by Tony Benn and Peter Shore – were animated by the direction of travel of the Labour government, which they viewed as insufficiently radical in the face of continuing economic difficulty. A loan from the IMF imposed significant reductions in public spending, but was predated by a year of stringent cuts (Bogdanor, 2016; Hickson, 2005; Plant, 2004: 41-53).

The formation of the Lib-Lab pact provided, for both the left and the leadership, a key parliamentary breaking point in this battle in March 1977. Labour had been a minority in parliament for some time and had not looked towards formal inter-party negotiations. However, a series of electoral defeats, combined with the loss of votes on devolution and public expenditure led to the calling of a Vote of No Confidence in Callaghan's government, a vote where victory without inter-party agreement looked impossible to win. This created a political choice for the left: accept the policy and strategy of Callaghan's government, or vote for a new government in a vote of no confidence.

In one sense, this basic context and rationale behind the Lib-Lab Pact bears striking resemblance to negotiations between Jeremy Thorpe and Edward Heath conducted three years earlier. For Callaghan, it provided an opportunity to continue his government with a stable parliamentary footing, reshaping the parliamentary arithmetic while retaining an electoral dynamic of independence from the Liberal Party. The heresthetic strategy was clearly to retain office with as little political disruption as possible. For the Liberal leader David Steel, this had provided a political opening for political co-operation he had been pushing for some time, not least in his election campaign to the Liberal leadership. Steel welcomed comparison between an agreement he forged as leader in March of 1977, and one he was vocally against in March of 1974 (Liberal Press Conference, 24/3/1977, PREM16/1399/18). He claimed, when announcing co-operation in parliament, that the 'growing balance of hon. Members in the House, who do not belong to either of the major parties' made such agreements an ever-increasing likelihood, regardless of whether the vote of no confidence, which precipitated the pact, led to an immediate election or not (Hansard, HC, 23/3/1977, v. 928 c. 1319). Two counteracting forces, increasing partisan dealignment and lethargic Liberal polling, provided conflicting messages about the Liberals', and Steel's, political outlook. Steel willed the former to win out and for such agreements to be viewed within a context where hung parliaments – or 'People's Parliaments' as he tried, with little success, to coin them – were the new norm (Steel Speech to LPC, 20/5/1978, Liberal Party 19/1'; Bogdanor, 1981: 163). His revisionist claim to have agreed identikit terms to those offered by Thorpe to Heath added to the impression that he wanted to stress both continuity and change in the circumstances and operation of the Lib-Lab pact – a narrative that jars with his reservations

as Chief Whip, and his subsequent flexibility when the opportunity of co-operation arose as leader (Liberal Press Conference PREM16/1399/18).[13]

There are some clear contextual similarities between the pact (though despite entering common parlance Steel, believing it could hold negative electoral connotations, was never keen to call it such) and the inter-election machinations of 1974 (Michie and Hoggart, 2014: 96).[14] In terms of functional parliamentary arithmetic, there were an equal number of moving parts to the creation of a working majority. On the key confidence vote that acted as a ticking clock for negotiations, the eventual majority of 24 was the result not only of 13 Liberal votes with the government, but also the 'ragtag' support of Independent Nationalist and SDLP MPs, and the agreed abstention of four Ulster Unionists. On the key policy threads that would run through the agreement, devolution and direct elections for the European parliament, there was an acceptance that support would have to be procured from across parliament (Lord President/David Steel Meeting, 24/3/1977, PREM 16/1399/18).[15] The agreement's public justification would be – and would have to be – principally economic. Privately, in elite Labour circles, the tag of 'national recovery' was rejected for 'economic recovery' as, while the latter was inherently restrictive, the former 'smacks of coalition' (Note: Stowe to Callaghan, PREM 16/1399/38). But it strongly resembled Heath's call for an entente on the basis of national economic crisis. Many of the prerogatives of retaining office – the continued promise of North Sea oil, and the feeling whoever grasped power would be 'inheriting a bonanza' – were just as present in thinking in both cases (Callaghan Statement for *Labour Weekly*, PREM 16/1399/27; Donoughue, 2008: 167). Callaghan, his advisors and his cabinet believed an election was likely to be lost, and were frank in their forecasts; in March 1974, Heath knew the electoral implications of a further contest on Wilson's terms (Owen, 1991: 192; Donoughue, 2008, 22/3/1977 166-70). The policy preferences of the major party were, again, to retain office under the guise of economic crisis. For the Liberals, constitutional demands loomed as large as ever. Certainly, by late 1976 Heath, aware of the deleterious effect of clinging to executive office in a climate of parliamentary and electoral weakness, assured David Steel that, soon, Callaghan would begin a direct dialogue with the Liberal leader (Steel, 1980: 27; Steel, 1989: 123).

All this led *The Times*' columnist David Wood (28/3/1977: 13) to question whether political discussion and analysis in 1977 could survive 'without Aneurin Bevan's taunt: 'Why study the crystal ball when you can read the book?' Retrospectively, Steel argued that his talks with Jim Callaghan were a 'very different proposition' (Hennessy, 2014). These talks were, he argued in 2014, different to those in 1974 and 2010 due to their timing (more than mid-way through a parliament) and the fact they were conducted in the face of a vote of no confidence (Hennessy, 2014). Steel's account of the pact blames the fact it was 'cobbled

[13] Steel claimed 'the same proposal was put to the right hon. Member for Sidcup (Mr. Heath) when he was Prime Minister in February 1974' (Hansard, HC, 23/3/1977, v. 928 c 1314)
[14] For example, in an article month after co-operation began, Steel refers to an 'agreement', 'combination', 'bargain', and 'new political venture' but never 'pact' (Steel, *The Times*, 18/4/1977: 12)
[15] To that end, free votes were described by Callaghan as 'the hinge upon which this agreement rests' PREM16/1399/31 'Cabinet: Liberal Party Agreement'

together in great haste up against the deadline of a Commons vote of no confidence' as a reason for the defects in its operation (MacGregor, 2013). But without these circumstances – and Callaghan's frenetic search for parliamentary votes – it is difficult to believe that the pact would even have been mooted, let alone agreed. David Wood's *Times* piece went on to question the 'efficacy, duration, rationale and even the political morality of the Lib-Lab contract' (Wood, The Times, 28/3/1977: 13). This implies enduring cultural conventions and institutional norms and underlines that, far from an inevitability given the political context, the creation of a pact between Labour and the Liberals is, instead, a puzzle to be explained. Wood's judgements were prescient. The pact struggled to be effective. It did not last as long as many of its key actors thought it might at the outset. Ultimately its purpose, to both parties, was at best half-fulfilled. Callaghan would have contemplated including Steel in a coalition government if circumstances had dictated – Callaghan's advisors claim that the office of Home Secretary was earmarked for Steel (Donoughue, Interview, 2016). But his biggest strategic decision as Prime Minister, the delaying of the general election assumed for the Autumn of 1978, was partially defined by his fear an overall majority was not possible, and a desire to avoid a repeat of the legislative deadlock that led to co-operation (Steel, Interview, 2016; MS Callaghan 2743, Handwritten Note).

The strategic imperatives for Callaghan and his deputy Michael Foot are clear from the archival records analysed in this chapter – to retain the existing two-party equilibrium, and keep his party onside so the pact with the Liberal party would solve, rather than exacerbate, his arithmetic problem in the House of Commons. This meant downplaying co-operation by doing all he could through heresthetic manipulation – both rhetorically, and in his inter and intra-party strategic manoeuvrings, to demonstrate the temporary nature of co-operation . The way in which Callaghan's leadership was defined by this Commons by the fact that Labour's majority was lost on the day he became leader, and the slow erosion of the government's ability to hold a majority in the Commons led, finally, to Labour reaching out to the Liberals. Callaghan's biggest concern, voiced privately and publicly, was that 'this may all go wrong, and they never forgave MacDonald' (Clark, *The Times,* 23/3/1977: 2; McNally, Interview, 2016). This fear was unfounded: the pact's limited scope and relatively broad base of support from the parliamentary party (Clark, *The Times*, 28/3/1977: 10) and the unions (Letter: McCluskie to Hayward, 28/3/1977, PREM 16/1399/15) shielded him from the accusation that it was some sort of elite-level betrayal. The instincts of both cabinet government and the Labour Party towards centralized control, and away from inter-party power sharing, were clear in the agreement's operation, guided by Callaghan's wariness about the pact's potential symbolism (Stowe to Callaghan, 28/3/1977, PREM16/1399/14). While Callaghan was willing to 'put aside the prejudices I had as a young man' about coalition, his reticence had not left him and he never embraced or even acknowledged that the pact could have long-term consequences (Callaghan Interview, ITN Archive, 22/3/1977 2405/77). It was a disappointment for those who saw the pact as a function and symptom of a paradigm shift towards consensus politics.

In Roy Jenkins' judgement, rather than a key point in the path towards realignment, the pact instead made it 'more difficult for David Steel to do what he wanted to do subsequently' (Slade, 2003: 8). This is damning – and important. Judgments on the pact's fate point towards the reasons why the Liberals acquiesced to Callaghan's stringent terms in the first place. The focus of disappointment in Liberal circles – a failure to enforce policy aims, dysfunctional structures that prohibited significant influence, and frustrating intransigence by Labour politicians at a cabinet and parliamentary level – suggests that it was supported to change policies, institutional norms and the attitudes of its competitor towards co-operation. A post-pact Liberal motion, passed at their conference in 1978, also stated that a firm commitment to PR, and the explicit support of either the Labour or Conservative parliamentary parties, should be vital pre-conditions to any further co-operation – further emphasizing that Liberal priorities lay in both changing the 'rules of the game' and the outlook and norms of its competitors (Butler and Kavanagh, 1980: 96). In the mind of Alan Beith, then Liberal Chief Whip, one of the key lessons learnt was that 'we've really got to take our members with us', leading to the creation of institutions aimed at reigning in leaders (MacGregor, 2013). These criticisms also hint at the fact both that there was some circumvention of intra-party dissent, and that this impacted on the historical and institutional memory of, particularly, the Liberal Party and its successor.

Steel regarded the deal as 'a rather novel constitutional experiment' (Dorey, 2011). It was certainly seen contemporarily as a new method of harnessing and controlling myriad forces and 'a practical grappling with the dilemma of Westminster, in a day when any government is likely to be in a minority, therefore presaging the future way of life in the Commons' (Wood, *The Times*, 26/9/1977: 12). Steel's aim was to reframe British political culture to make it accommodating to the formation and durability of cross-party bargaining. It is not fair, as Michie and Hoggart (2014 (1977): 66) argued, to say that Steel 'was more concerned with winning access to the ante-rooms of power than with the changes that might flow from that power'. He saw a direct causal connection between fostering an inter-party style of government and the likelihood of securing electoral stalemate and further power for the Liberal Party. The primacy of consensus and co-operation within public institutions were the crux of his political standpoint and he pursued it in electoral strategy. His political broadcast of 1979, widely praised, explicitly interlinked halting economic decline with 'a better way of running Britain' (Butler and Kavanagh, 1980: 227; Election Broadcast, LLP 19/2). Yet, in the end, the underlying assumptions of single party government overrode the possibility of the deal flourishing enough to dent the precepts of majoritarian government.

In complete contrast Jim Callaghan, according to his key political advisor Tom McNally a rigidly 'small c conservative' in matters of constitution and governance, set out for overtly minimalist terms to maintain his government (McNally, Interview, 2016). Steel argued that 'it wasn't so much a Lib-Lab pact as a Steel-Callaghan pact accepted by our colleagues with widely varying degrees of enthusiasm (Steel, 1980:153)'. In terms of the creation of the pact, if not its operation, this both overestimates how keen Callaghan was on

the arrangement, and the levels of dissent within his cabinet. Both he and Michael Foot never disguised the fact the pact was born so it could die, naturally, through the reassertion of a Labour majority. The most remarkable aspect of the pact is that it was an amicable and constructive co-operation (indeed sustained, principally, by positive atmospherics between the two leaders concerned) by parties with largely compatible policy outlooks, but irreconcilable strategic aims (Callaghan, 1987: 455; Lippiatt, 2008). Divisions were, therefore, almost wholly over political strategy and statecraft. The sobering realities of the impending loss of office were married to the dizzying possibilities of constitutional and political change. This chapter analyses how an agreement was formed in these circumstances, and how contradictory aims were bypassed and triangulated both within, and between, the Labour and Liberal parties.

(The Lack of) Discussion of Inter-Party Politics 1976-77

Conservative Intra-Party Discussion of Co-Operation

Just three years prior to the formation of the Lib-Lab Pact, Labour's unwillingness to countenance co-operation stifled the possibility of gaining office through coalition for the Liberal Party. It is striking that, by 1977, enthusiasm among the two largest parties had reversed. The change in leadership of the Conservative Party fundamentally altered inter-party dynamics and cut off the possibility of Conservative-Liberal co-operation. Margaret Thatcher saw the Liberal's decision to enter into an agreement as an impromptu act of self-indulgence, the 'thrilling illusion' (Dorey, 2011: 380), or 'seductive whiff', of power enticing a weak-willed party which had suffered enforced abstinence for far too long. Thatcher (1995: 327) later wrote that she was 'astonished that they had signed up to such a bad deal, but I had left out the crucial element of vanity'. She was unmoved by the growing indicators that multi-party politics could be the new norm and remained resolutely opposed to countenancing electoral reform, which remained a 'taboo subject' at Shadow Cabinet meetings. This was despite Lord Hailsham's Dimbleby Lecture in 1976, which had described the Westminster system of elections and governance as delivering an 'elected dictatorship', and up to half the shadow cabinet – largely, though not wholly, one Thatcher had inherited from Heath at this stage of her leadership – entertaining the possibility of supporting proportional representation (Campbell, 2001: 362; Bale, 2011: 221). Heath's speech to the 1976 Conservative Party conference described a 'political, social and moral crisis' and had the 'unmistakable undertone' of a call for a national government (Heath Conference Speech, Oct 1976, LBC Archive; Hutchinson, *The Times,* 24/10/1976: 12). In October 1976 Harold Macmillan used a BBC interview with Robin Day to call for a 'Government of National Unity', though not a coalition – 'a sort of dirty word now, one always has to use the right phrases for things' – and was supported publicly by some Conservative MPs (Interview: Harold Macmillan, BBC Tonight, BBC Archive, 20/10/1976). Views among Conservative elites towards co-operation had hardly altered. What had was who led the Conservative Party.

Thatcher's belief, that irresolute and debilitating government would result from co-operation, was clear. The Liberals' eventual decision in March 1977 to join the government in the division lobbies for the vote of no confidence, that effectively announced the Lib/Lab agreement, soured relations between Steel and Thatcher. Steel has said it 'remains a mystery' why Thatcher did not countenance liaising with his party prior to the confidence vote she called (Steel in Michie and Hoggart, 2014: ix). It led to a defeat he puts down to the 'arrogant assumption' of singularity that defined her in opposition (Ibid.). Thatcher's quip to television reporters 'look what we flushed out, look what we flushed out – my goodness me' betrayed an awareness of the possible electoral impact, particularly on the Liberal Party (Vote of Confidence, 24/3/1977, ITN News Archive). But it also showed a genuine and acute distrust of the realpolitik of inter-party alliances. For Thatcher, the fact Callaghan had 'admitted' his was now a minority administration was tantamount to acceptance of guilt, and she strongly railed against a 'shadowy deal' based on 'common dread' that she felt to be chimerical, contentious and electorally damaging (Written Statement: Lib-Lab Pact, 23/3/1977, Thatcher Archive). The 'full blast' of the 'Conservative propaganda machine' that Steel had anticipated certainly directed their ire particularly on the motive behind his decision, and the premise his party would prove ineffectual (Liberal Press Conference, PREM16/1399/18). There was no shortage of those who saw the Liberals as driven, above all else, by naiveté and the short-term validation that came with the agreement as *The Sun* (23/3/1977: 7) portrayed a feline Callaghan devouring the flailing Liberal mouse.

Liberal Intra-Party Discussion of Co-Operation

Steel's call for Liberal candidates, the day following the act's announcement, to 'admire the photographs of the Liberal MPs in the *Daily Mail*!' could be seen as validation for those that criticized the pact as born of short-term expediency (Steel - Letter to Liberal Candidates, 24/3/1977, LLP 19/2). Here the Liberal Party has been criticized from two seemingly contradictory angles: seen both to have been pursuing myopically rational ends, while also selling themselves far too short to sufficiently grasp the levers of power. The broad consensus was that Steel had been blindsided by the allure of temporary significance and 'while Liberal ideas will be examined in the new consultative committee there can be no expectation that many of them will be accepted' (*The Times,* 24/3/1977: 19). Unhelpfully for Steel, while the pact was midway through its life Jo Grimond (*Daily Mail*, 28/11/77: 6) commented that 'intoxicated with small swigs from the bottle of government, some Liberals have now woken up with a headache'. In retrospect Michael Steed, both a significant academic observer and an active Liberal, points to the lack of active and sustained discussion about co-operation throughout 1976 and into early 1977 as a missed opportunity. Steed argues that 'the Liberal Party as a whole was therefore to blame, in wasting those four months (from November 1976 to March 1977), [and] failing to mount a national debate about the reality of a hung parliament' (Steed in Lippiatt, 2008).

This is a judgement Steel shares but is possibly unfair for as John Pardoe – Steel's economic spokesman and de facto deputy – noted, disapprovingly, 'David Steel had formulated the view years before that the future of the party lay in some kind of deal with Labour moderates' (Slade, 2002: 17). Whether the charge of political opportunism and short-sightedness could have been avoided through a more assertive selling of co-operation, in the months prior to its creation, is questionable. The situated and limited agency of a Liberal leader operating amid stronger political forces and currents was clear. Steel had, from his early days as an MP, viewed partnership with another party ('all the time with the Labour Party') as key to a Liberal government (Hennessy, 2014). In Steel's memoirs, his recollections of the 1970 Liberal Assembly at Eastbourne are coloured principally by a platform debate of party strategy with Pardoe:

> where I advanced my well-known arguments and John, buccaneering and bullish, wanted a commitment to fight every seat in sight … he won the cheers, the argument and the vote. (Steel, 1980: 71)

In the bitterly fought leadership contest between Steel and Pardoe, Steel felt he had made it clear that his leadership would involve a reassertion of the necessity of co-operation (Cook, 2010: 163; Torrance, 2012 86-7). In his speech announcing his candidacy, Steel called upon Liberal activists to hold a 'readiness to work with others wherever we see what Jo Grimond has called the break in the clouds – the chance to implement any of (our) Liberal policies' (Steel, 1980: 22). He leant upon a 'new authority as democratically elected leader' but, also, the themes of his leadership bid, an electoral mandate that was built upon a strategy he felt he personified within the party. Interestingly, despite Steel's two to one margin of victory, internal party research found Pardoe had won a majority among 'party activists, and people who had voted after attending election meetings' (Cyr, 1977: 33).

Emboldened by support from a magnanimous Pardoe, who felt that 'the party could have only one leader and one strategy', Steel used his first Assembly speech as leader to call on his party to be prepared to share power (Steel, 1980: 23-5). Emlyn Hooson, the MP and leader of the Welsh party organization, opened the conference by pronouncing his support for a renewed discussion of strategies of co-operation, signalling his support for Steel (Clark, *The Times*, 16/9/1976:1). Other senior Liberal MPs, such as the influential right-winger Clement Freud, and then key advisors and speechwriters, such as William Wallace and Richard Holme, were urging caution (Steel, 1980: 119). After some last-minute deliberation, Steel went ahead and told his party that 'we shall probably have – at least temporarily – to share power with someone else' in order to 'bring about the changes we seek' and 'be the fulcrum and centre of the next election argument – not something peripheral to it'. While radical Liberals recall the reaction to his speech somewhat differently, Steel felt 'the assembly had backed the new line" (Clark, *The Times,* 16/9/1976: 1; Meadowcroft, 2016, Interview). Certainly, Steel was right to feel it received relatively good press, *The Times* drawing comparisons to Hugh Gaitskell as a reminder that 'a certain quality attaches to a leader who defies his rebels in open

conflict at party conference'. His power within his party had been enhanced and while 'Mr Steel was Mr Grimond's protégé: he is no longer Mr Grimond's man' (*The Times,* 20/9/1976: 19).

Indeed, Jo Grimond remained unsupportive of Steel's movement towards co-operation (McManus, 2001: 331-3) and, if he had remained leader of the party, would have done little to stir up the prospects of a deal. That Grimond should have had such fundamental problems with Lib-Lab co-operation is surprising. Grimond had previously been the key progenitor in centre-left realignment, ending the Liberal's glacial shift to the right under Clement Davies (Dutton, 2006). Consistently as leader, he had called for the creation of a new progressive party of the centre-left as a 'radical non-socialist alternative to the Tories' (Barberis, 2005: 127). Yet he saw any calls for co-operation with Callaghan whilst in government as inherently problematic – 'blurring the line' between opposition and government in a way that would damage the party's identity, and which could only be justified with a firm commitment to electoral reform (McManus, 2001: 331). Despite Grimond's stated reservations, on the Radio 4 show 'Analysis' in November Steel went further, and tentatively set out his position on co-operation:

> I think what is required is some form of minimal agreement on what is required for the national good rather than what is required for the Labour Party, Liberal Party, or Tory Party ... I am demanding, if you like, a degree of policy self-sacrifice on the part of all parties, and I certainly don't intend that the Liberal Party should lean to one rather than the other. (Quoted in: Wood, *The Times*, 28/3/1977)

Both Steel and Pardoe firmly associated themselves with Grimond. That his later objections to the pact did not act as an effective veto showed, however, that his influence was far from absolute. The fact Pardoe saw the leadership election quite differently to Steel, as a choice between 'the Radical vs the Other' (Slade, 2002: 17), is linked to their different perceptions of their party, the man who had led it when both men had joined, and their perception of his long-held desire for party realignment. Their attitudes to co-operation directly stemmed from their understanding of Grimond and the weight they placed on activist feeling. In John Pardoe's view, Grimond's stance on the Lib-Lab pact was the result of the fact that, like himself, the ex-leader saw realignment 'through the Liberal Party' as the ultimate objective. This, Pardoe argued, could only be achieved after a substantial popular breakthrough that legitimized realignment, as:

> unless it becomes very, very large, probably number two in terms of seats, the party cannot enter into any arrangement with another party safely without the absolute certainty that the next general election will be fought on PR. Otherwise you are opting for total disaster. (Slade, 2002: 17)

Steel, on the other hand, was sure that Grimond prioritized a willingness to grasp office if the terms and time were right, recollecting that while Grimond was against the talks of 1974, he had been at pains to tell his parliamentary colleagues to 'be realistic, (for) we are a small party. If we ever hope to be in government – and we believe in electoral reform – coalition must be an inevitable route forward' (Brack, James, Steel, 2015: 437). Pardoe was closer to Grimond's thoughts, who agonized to Hugo Young 'how can we bust the system if we are part of it?' (Young (Grimond), 2007: 28/4/1977, 111).

For Steel getting drawn in to 'the system' was an inherent part of remaining relevant. While a short period of the pact convinced him of the need to step back before the next election (advice he claimed to impart, with little success, on the Liberal Democrats between 2010 and 2015) upon its inception he was, although clear the 'pact' was not an electoral arrangement, careful not to set significant barriers to its development (Steel, *The Guardian,* 12/5/2010). Equally, being part of the conversation that social democrats in the Labour Party were having about the future was his principal political objective in the period of his leadership prior to the pact. In October 1976 Steel wrote 'an open letter from an admirer of Mrs Williams', published in *The Guardian,* in which he argued:

> we are not an exclusive sect, and we recognize that we need to cooperate with others to create that great progressive party which I have wanted to see ever since I became active in politics. (Steel, *The Guardian,* 22/10/1976: 12)

That even the *Guardian* played down the reaction of Labour MPs as 'particularly derisive', with MPs in both main parties 'unlikely to pay much attention to Mr Steel', showed how little headway Steel achieved (Aitken, *The Guardian*, 22/10/1976: 1). Steel's reframing of the idea of co-operation was a demonstration of the role of political leadership in determining the parameters of the Liberal's electoral strategy. That he had such little success shows how difficult it is for smaller parties to gain traction for strategic initiatives. Steel sought a symbiotic relationship with Labour; yet, without their electoral and parliamentary decline, his shifts in strategy would have had little effect.

Labour Intra-Party Discussion of Co-Operation

If Steel's election as leader provided tentative signs the politics of co-operation were creeping further up the Liberal Party agenda, the election of two 'conspicuous conciliators' from Labour's right and left – James Callaghan to the leadership, winning on the third ballot against Michael Foot, who became his deputy – was no accident (Williams, 1982: 60). Callaghan had won 'mainly because his style and affability made him the most acceptable candidate' (Ibid.); Foot had garnered the support of the centre and left due to the display of a 'new moderation and loyalty', though his victory over Shirley Williams, by 166-128 votes, was much less convincing than his supporters had anticipated (*The Guardian,* 22/10/1976: 12). Yet the strategic

and political implications of a Labour government without a reliable and sustainable parliamentary majority were already apparent. On the day Callaghan took office, in April 1976, the party officially lost its majority with the defection of John Stonehouse.[16] Although it was felt the party could count on the continued reliable support of smaller parties, Labour's intra-party dynamics were fragile enough to cast doubt on the continued functioning and survival of the government.

A defeat in March on an Expenditure White Paper had forced a vote of confidence, delaying Wilson's planned departure. While won by a relatively comfortable 17 votes, it was 'a bruising experience' that showed the true sense of detachment of the left-wing Tribune Group of Labour MPs. Benn's diaries note that 'the defeat last night has transformed the situation; it has ended the phoney peace and people see now that … they can't carry the Labour Party the way they have' (Benn, 1990: 11/3/1976, 529-30). There were clear tensions within a party that remained forcibly bound together by parliamentary procedure: Chief Whip, Bob Mellish, argued in cabinet that 'they are counting on a vote of no confidence to bail them out' (Castle, 1990: 11/3/1976, 682), and Neil Kinnock, a key member of the group, admitted that 'they've called our bluff, but only by threatening to commit suicide' (Jenkins, *The Guardian,* 12/3/1976: 12). In retrospect, it is difficult to see any real threat that the Tribune Group would organize to defeat the government and force defeat in a vote of no confidence. But it was hardly viewed as a given – Wilson was 'nervy', 'jumpy' and 'drank quite a lot of Madeira' (Donoughue, 2005: 10/3/1976, 692). If not willing to push the party over the edge into opposition, the Tribune Group was clearly capable of destabilizing the government. Certainly, the loss of the vote prompted Roy Jenkins to remark to Barbara Castle that 'I don't think we can continue much longer with the system of 'first past the post" – a reflection on either the lack of coherence within Labour as a united mass party, or on a system of majoritarian government he saw as systemically failing to produce majorities (Castle, 1990: 11/3/1976, 681-2).

Richard Crossman (1976: 11/12/1966: 159-160), in his diaries, described one of Harold Wilson's greatest strengths: his leadership meant that Labour never had to decide its nature and purpose, whether it was a social democratic party like Germany's SPD (whose leader, Helmut Schmidt, welcomed the Lib-Lab Pact) or as a 'genuine socialist' party (Telegram: Schmidt to Callaghan, 24/3/1977, PREM 16/1399/26). His lack of 'profound thoughts about the future of the Labour Party' meant that his 'main aim was to stay in office'. His ability to dampen intra-party strife came from his ambivalence about the long-term strategic future of the party. Wilson had also managed, in 1974, to deftly avoid the inter-party bargaining that could easily have disrupted this intra-party equilibrium. Callaghan was not afforded the same luxury. Two shock by-election defeats in North Walsall and Workington in November 1976 made Labour increasingly dependent on Republican and Scottish nationalist support. The Walsall loss, on a 22.5% Labour-Conservative swing, was partially put down to the fact that David Winnick 'probably did not help their cause because, as a Tribune

[16] Three months before his conviction for fraud, eighteen months after faking his own death and six years before, in 1980, it was revealed to Thatcher Stonehouse was a spy for Czechoslovakia.

group activist, he is known to be numbered among critics of the Government's policies' (Wood, *The Times*, 5/11/1976: 1; *Guardian*, 6/11/1976: 10).

Callaghan's reaction to the by-election defeat was to discuss 'sorting out the left-wing hacks and deadbeats on the NEC' (Donoughue, 2008: 5/11/1976, 96). But in the period before the pact and following its creation, Callaghan handled the left of his parliamentary party with kid gloves, rather than confrontation. Callaghan's clear instinct, rather than any consideration of bolstering his majority through inter-party alliances, was to placate the Tribune Group. Callaghan had made concerted efforts, upon coming to office, to bolster intra-party consultation mechanisms: establishing regular contact between Ministers and shadowing subject groups within the PLP (PLP Committee: Government/PLP Relations, 6/8/1976, PREM 16/1399/22; Horam, Interview, 2016). Upon the Lib-Lab Pact's inception he remained unsure of the machinery of Liberal consultation but reinforced to his cabinet that arrangements with the Liberals 'must not outbid or devalue' his framework of intra-party co-operation 'PM Briefing: The Liberal Arrangement, 24/3/1977, PREM16/1399/20; Cabinet minutes CAB128 CM(77) 13, 24/3/1977). Callaghan's collegiate reputation was significant, and appeared to later give some scope to act in a more centralized way during negotiations, (even excluding key trusted advisors for part of the negotiation process) and allowing the pact to be delivered as a *fait accompli*. Callaghan felt this was a key element of his job description. When asked mid-negotiations with the Liberals whether he felt the Tribune Group would follow him into a pact, replied that this was 'part of my job as party leader. It's no use me being general of an army which doesn't follow me' (Callaghan Interview, ITN Archive, 22/3/1977 2405/77).

David Steel was keenly alive to these dynamics, and told Hugo Young, in a bullish interview in 1977, that:

> The effect of our intervention has been to entrench, if you like, the Manifesto Group against the Tribune Group in the Labour Party. I think that tension is more likely to demonstrate itself as a result of this agreement than if you had the Labour Party in opposition, crushed by a great Tory majority and feeling they must all unite against the wicked Tory capitalist machine. (Young, *The Sunday Times*, 31/7/1977: 15)

Steel's explanation could be easily dismissed as wishful thinking. Indeed, his two mentors, Jenkins and Grimond, both viewed a Conservative landslide as the most plausible precursor to centre-left realignment (Young (Grimond), 2007, 112, 28/4/1977; Campbell, 2015: 507). The message was clear that Callaghan saw the pact as a 'device to enable him to get the Labour Party, in its existing structure, through to a general election which he might win' (Mackintosh, *The Times*, 22/7/1977: 14). Michael Foot, in cabinet discussions on the pact, argued it was the only way to keep Thatcher at bay and 'while he was by no means a coalitionist … said in meeting after meeting, we must be here when the oil comes in' (McNally, Interview, 2016). However, Callaghan was aware of the intra-party benefits that came from the deal and Bill Rodgers recalled

that the Prime Minister's hint "as much as I might like it, the Liberals wouldn't agree' occasionally provided him with a welcome excuse for not pursuing a course' (Rodgers, 2000: 171). *The Observer* ('The Price of Power', 18/12/1977: 18) noted that, indeed, the pact has 'coincided with, and assisted, a stiffening of the sinews of Labour moderates'.

This is a theory Roy Hattersley dismisses. Hattersley argues that, prior to Lib-Lab co-operation, the party's support for the Common Market and the abandonment of the 'alternative economic strategy' had already sufficiently weakened the left's hand. He also rejects the idea the Liberal Party acted as a shield to facilitate a move in a more social democratic direction, and that 'nobody in the Labour leadership believed that such a pathetic defence of government policy would work, or that it was necessary' (Hattersley in Michie and Hoggart, 2014: x). Equally, Tony Benn believed the pact to be:

> a phyrric victory for the right. They think it is a big re-birth of a social democratic party but it isn't. The Liberals have nothing to offer, they have no power base (Benn, 1990: 23/3/1977, 91).

There was a case for Hattersley's optimism in 1977. Certainly, at a cabinet level the left was in retreat. Wilson's 1975 reshuffle, the result of the cleavage opened up by the referendum, had damaged the left. The broad balance of power in the PLP, as discussed above, was on the moderate right, and was chaired by Cledwyn Hughes – who would later act as one of the key first points of contact with the Liberals when negotiations began (see pp. 104-5; Kirkup, 2012: 71). But the impulse for re-alignment was weak. Grand strategic manoeuvres were unnecessary when, as has tended to be the case throughout Labour's history, the social democratic wing was reasserting its strength while the party was in office (Borthwick, 1979: 57).

In Crewe and King's (1995: 167) judgement, 'the average Labour MP, if asked during the 1960s or 1970s what he thought of the Liberal Party, would probably have replied that he barely thought of it at all'. When approaching Wilson's vote of no confidence in March 1976, Donoughue (2005: 11/3/1976, 693) claims that Steel and Thorpe had both been keen to abstain as any election would be disastrous, and Steel seemed 'very depressed about (the Liberals') future'. Certainly, there was little hint that a splinter group emanating from the Labour Party, four years later, would co-operate with the Liberal Party. All three of the 'Gang of Four' who were in the cabinet supported the Lib-Lab agreement, but only Bill Rodgers actively promoted it through discussions with David Steel. Shirley Williams, like Benn, remained sceptical of the Liberals, and Steel's claims to be a 'party of government' had had little persuasive effect – Williams told David Butler Liberals 'thought like she did when she was 19', echoing Callaghan's dismissal of the party as 'adolescent' in preliminary negotiations (Butler Archives, Williams Interview, 17/7/1978). Owen (1991: 192) judged the negotiations on their merits, and had personally informed Jeremy Thorpe that the cabinet were likely to accept proportional representation. However, there were no serious strategic discussions with senior

Labour social democrats on how an agreement between the parties could facilitate further co-operation. Steel's key ally within Labour – much to the chagrin of many Liberals, including Pardoe, who tried to capitalize upon it in the leadership contest of 1976 – was Roy Jenkins. But the concept of coalition politics was, equally, distant from Jenkins' mind given, by late 1976, he felt that Callaghan had done well enough politically as Prime Minister that the re-election of a majority Labour government was foreseeable (Campbell, 2014: 505).

Perhaps more surprisingly among Callaghan's close aides – in his view 'a right wing lot', naturally more inclined to a Lib-Lab deal than his parliamentary party – there was similarly no conception at the time that any intra-party problems could be resolved through inter-party action (Donoughue, 2008: 22/3/1977, 169). There was also very little explicit anticipation, prior to Thatcher's vote of no confidence, that the parliamentary arithmetic may force a crunch decision upon Labour in the future. In the debate on the no-confidence motion faced by Wilson, Jeremy Thorpe delivered 'a strange, rambling speech. All about the need for consensus – almost coalition' (Donoughue, 2005: 11/3/1977, 692). That this was Bernard Donoghue's judgement, later a keen and significant advocate of co-operation, showed how distant the prospect was in March 1976. Yet as Labour's parliamentary stability withered away, there was very little urgency to actively seek a resolution that might involving the support of other parties. This widely-shared reluctance adds weight to the idea that the negotiations of March 1977 were the result of absolute arithmetical and parliamentary necessity: the preference was clearly to muddle along for as long as feasible. Following the Walsall and Workington by-election defeats, Donoghue (2005: 5/11/1976, 97) still felt confident the government would last until 1978: 'it is a tightrope, but I am enjoying walking it'. Electoral and policy considerations and goals were viewed as wholly subordinate to retaining office. It was only Labour's defeat in a by-election following Tony Crosland's death on 24 February that the government had become a minority and gone 'back to 1974!' (Donoughue, 2008: 24/2/1977, 153).

Parliamentary Dynamics, February and March 1977

Devolution Legislation

Walking a tightrope can demonstrate deft skill and intelligence, but survival comes down to knowing when not to try. Callaghan had the ability to construct a co-operative agreement as the parliamentary situation drifted steadily against him. Whether he chose to wait till the political arithmetic crystallised into a vote of no confidence, or genuinely felt he could continue without co-operation, is in a sense a moot point. What was clear is that Callaghan held a clear preference for intra-party conciliation over the potential disruption of inter-party co-operation. If one issue showed this most clearly it was devolution for Scotland and Wales – ironically, the one policy that Roy Hattersley argued lent the Lib-Lab agreement a shared purpose (Hattersley in Michie and Hoggart, 2014: x). The lack of consultation in the government's introduction of

a Guillotine vote on the legislation (limiting debate, to encourage their bill's passage) infuriated the Liberal Party, leading to a defeat by 29 votes. Michie and Hoggart's (2014 (1977): 2-14: 26) account suggested that Foot, who was guiding the bill through parliament, had acted with a 'stubborn … high-handed' attitude and had acted 'as if the Government had a large, safe majority'. Callaghan (1987: 449), on the other hand, saw 'intractable' opponents 'using every delaying tactic to prevent its completion'. The defeat put into serious doubt the policy aims of the government, reliant as it was on tacit support of Scottish and Nationalist MPs that hinged on this legislation.

Callaghan's lay two choices before his cabinet as binary alternatives. Either introduce legislation 'which would be popular with the government's own supporters, but likely to be defeated in Parliament'. Or, instead, take 'special steps to obtain the necessary support for government legislation' (Cabinet Minutes CM(77) 7, 24/2/1977). In truth, while Callaghan promoted the idea of parliamentary conciliation, his strategy was a fudge of both. His memoirs claim he took Steel's devolution ideas seriously, but Donoughue (2008: 22/2/1977, 152) believed Callaghan to be 'quite relaxed' on whether the legislation passed as long as Labour 'get the credit for 'having tried to get devolution''. He privately criticized his Scottish Secretary, Bruce Millan, for having 'no politics in him' after discussing the way in which the aftermath of the vote should be briefed to the media (Ibid.). The cabinet agreed to form expansive cross-party talks. But, when announcing them on the floor of the House, Foot went out of his way to point out these were 'exceptional circumstances' and, on the whole, 'the working ou t of legislative proposals is best conducted by the normal processes of the House of Commons' (Hansard, HC, 24/2/1977, v. 926 c. 1640). Foot told the cabinet he saw 'no likelihood that interparty talks would lead to positive results', their use being instead to 'expose the hollowness of rival policies' (Cabinet Conclusions, CAB128 (77) 7 24/2/1977). Following the creation of the pact, Foot was keen to push on with the legislation but for advantage in the two-party battle, given 'the best way to embarrass them (the Conservatives) was to keep the subject alive' (Devolution: Lord President/Steel, 24/3/1977' PREM 16/1399/18).

Callaghan's attitude to Liberal 'recommendations' suggested he saw little practical benefit in working towards Liberal support, there being 'no use (in) the government getting 10 Liberals if they lost 80 supporters from their own party' (Meeting: Callaghan and Steel, 3/3/1977 PREM 16/1399). Interestingly, when subsequent negotiations began this number of recalcitrant rebels had reduced, and Callaghan argued there was 'no point in his losing 30 votes to gain 10' on the issue of the method of election for the European Parliament (Meeting: Callaghan and Steel, 21/3/1977, 6pm, PREM 16/1399/45). Some 'uncharitable speculation' of 'the possibility of dark deals' emanated from these discussions between Steel and Callaghan over devolution, particularly given they were conducted on a one-to-one basis. Foot and Pardoe's absence was noted in media speculation as significant. (Aitken, *The Guardian*, 4/3/1977: 6). Callaghan was instead shaping up to soldier on, preparing to adopt a 'Berlin Bunker' strategy – postponing or abandon legislation wholesale, rather than form any substantive inter-party agreement (ibid.).

Expenditure Vote, and Vote of No Confidence

A mix of institutional perceptions and complacency combined to drive Labour's belief they could continue to operate on an *ad hoc* basis without a binding inter-party agreement. There existed a 'strong lethargy which sprang from the belief that Callaghan would always find a way of saving his scalp' (Michie and Hoggart, 2014 (1977): 24). The complicated array of smaller parties, and the glacial erosion of the government's parliamentary safety net, meant there was no straightforward 'pivotal moment'. There was a feeling that beyond expenditure votes, whether a vote built up into a matter of confidence was a narrative for the government to create; it was assumed that the Labour left would, in the end, support the government on any matters of expenditure, and Callaghan could otherwise pick his battles. Significant doubts existed about Thatcher's ability to shepherd through smaller parties in any vote of no confidence (Mackintosh, *The Spectator*, 20/11/1976: 20; Aitken, *The Guardian,* 18/3/1977: 1). But following the collapse of devolution legislation, Scottish and Welsh Nationalists now had no policy cause to sustain the government and, in any case, they had voted with Thatcher in the two confidence motions of March and June 1976. Scottish and Welsh nationalist movements were also confident that their message to voters would be amplified in the wake of the failed legislation on devolution.[17] *Gallup*, recording a 16% per cent lead for the Conservatives, predicted would be easily by Thatcher's Conservatives with a landslide and 49% of the vote; furthermore, the SNP was registering support of as much as 36% in Scottish opinion polls (Forman, 2001: 85).

The illusion of safety was partially sustained by Callaghan's strategy of shelving any possible divisive legislation. It was punctured by the Government's retreat on a White Paper on government expenditure. First the vote on the White Paper, containing key public expenditure cuts, was switched to a procedural adjournment debate, a ruse to reduce the number of left-wing rebels (Wood to Prime Minister, 16/3/1977 16/1399/8). When it was clear that vote would be lost the whips then pulled out the 'Rug Technique' (Hoggart and Michie, 2014: 56), whips cancelling the vote and calling on MPs to abstain. It avoided a narrow (and, both the whips and Callaghan felt, more damaging) parliamentary victory for the Conservatives (and Labour MPs 'roared with laughter' at the division result) (Press Association 17/3/1977 PREM 16/1399). But it was clearer than ever that the basis of Labour's legislative support as previously constructed – that had carried them through previous votes of no confidence – no longer existed.

Ministers privately briefed there was little chance of Thatcher pulling together a majority and defeating the government on a vote of no confidence. But the implications had quickly sunk in for Callaghan. During the three-week period – between the loss of the vote on devolution, and Thatcher's tabling of a vote of no

[17] Ian Aitken (*The Guardian*, 19/3/1977: 12) described Westminster scenting the 'whiff of grapeshot' due to the 'increasing militancy of the nationalist parties' and the 'rising bloody-mindedness' of Sillars and Robertson'

confidence – Callaghan received an informal approach by Cyril Smith, sanctioned by Steel, suggesting the parties should explore co-operation (Steel, 1980: 29). The issue was delegated to Cledwyn Hughes, the Chairman of the PLP and a strong supporter of an arrangement. It was only upon the news that the passing of expenditure legislation would be problematic – a situation that, surely, could have been pre-empted some time earlier by what was generally viewed as an extremely competent whips office – that his 'thoughts reverted to it (Cyril Smith's approach)' (Callaghan, 1987: 452). Again, as in 1974, the practical implications of the parliamentary arithmetic had taken time to travel across Westminster. However, Callaghan was aware that, this time, the corner the government had been put in might be impossible to escape through the temporary construction of parliamentary alliances. What on Thursday night was still little more than the 'whiff of decay' following the expenditure vote had, by Friday afternoon and Thatcher's tabling of a vote of no confidence, become an 'odour' that 'permeated every corner of the Palace of Westminster' (Michie and Hoggart, 2014: 88). By Saturday Ladbrokes were offering 4/5 odds on a government defeat in the confidence vote, with the Conservatives 1/4 on to win any subsequent election (Cole, *The Guardian*, 19/3/1977: 1).

Any belief Thatcher would be reticent to put forward a vote of no confidence was quashed by a clear belief she would win, melded with her equal dislike of the parliamentary procedure and inter-party bargaining that any deal would rest on. Her belief that political legitimacy demanded a vote and an election gave her few doubts about calling the vote. But this also meant she made little effort to recruit the minority parties to her cause. In a speech that weekend, Thatcher said she was ready to 'fight in the forum of the people', while criticizing Callaghan for changing 'the rules of the House' and claiming his actions proved that 'Parliamentary democracy and Socialism go ill together. They cannot long exist side by side' (Speech, *Western Morning News*, 21/3/1977, Thatcher Archive, CCO PR 342/77/2).

Inter-Party Negotiations: March 19-22, 1977

Discussions with Ulster Unionists

If anything demonstrated Callaghan's reluctance to pursue co-operation with Steel's Liberal Party, it was the wholehearted nature of his approach to the Ulster Unionists. Pre-empting Thatcher's tabling of a vote of no confidence, Callaghan's memoirs recount him directing Cledwyn Hughes, aided by Bill Rodgers, to enter dialogue with the Liberals. In parallel the former and current Northern Ireland Secretaries, Merlyn Rees and Roy Mason, were directed to approach the SDLP and the Ulster Unionists respectively (Callaghan, 1987: 565). Callaghan knew he would have to work for minority party support. But he still driven by an acute reluctance to move beyond a minimum winning, short-term and *ad hoc* coalition of support needed for short-term survival. Callaghan felt Ulster Unionists offered the path of least resistance to the votes needed for a vote of no confidence to be defeated. This was because, arithmetically, their bloc of eleven

votes was potentially viewed as enough (even despite the loss of nationalist votes that would result). But it was also as he felt they were 'his kind of straight, tough old-fashioned conservative people' (Donoughue, 2008: 21/3/1977, 167). Essentially, that meant they were willing to operate on a discrete, transactional basis without the need for, or even public acknowledgment of, any co-operative agreement. A key attraction of any deal with Unionists was that it would be limited to issues related to the province.

Kirkup's (2012: 76-80) historical account of the Lib-Lab pact suggests the role of Ulster Unionist votes has been overlooked, and David Owen argues the agreement with Unionists 'was a more stable relationship and was at least as important in the survival of the Labour government' (Owen, 1991: 190). Indeed, on the 16 March, prior to the defeat on the Expenditure White Paper, Callaghan had approached members of the United Ulster Unionist Council (UUUC) – a disparate collection of ten Unionists, united by their opposition to the Sunningdale Agreement – to discover their views on parliamentary co-operation. In 1974 Heath, his Northern Irish Secretary Francis Pym and Willie Whitelaw, Secretary of State when the agreement was signed, were reticent to negotiate with a group who were elected on a ticket that ran counter to the government's strategy in the province (Resignation of Mr Heath, PREM 15/2069/30). Callaghan was less perturbed, although some cabinet colleagues and senior aides expressed doubts. Denis Healey's cabinet approval of the Lib-Lab pact was based on the fact it was a positive alternative to relying on 'the minorities – the Nats and the nutters' (Benn, 1990: 23/3/1977, 86). Bernard Donoghue (2008: 21/3/1977, 167) was similarly dismissive of the 'awful' Ian Paisley and Enoch Powell (looking, during negotiations, 'as always, like a preposterous barrister'). There was certainly some surprise, from both left and right, that a Labour Prime Minister would look to unionist support: *The Telegraph* (22/3/1977: 18) argued it showed 'Ulster's cause … subordinate to the frustrations or eccentricities of a marooned British politician'; *The Guardian* (22/3/1977: 1) that the crutch of unionist support was 'extraordinary' and 'bizarre'. The cabinet, the Irish Foreign Secretary and David Steel were all informed, and were working on the premise, that there had been no informal deal with Unionists (Cabinet Conclusions, CAB128 CM(77) 12, 13/3/1977; Steel, 1980: 110). That this deal was clearly and purposefully pursued is indicative of Callaghan's attitude towards any expansive co-operation with Liberals that could impact upon Labour's sole retention of office.

In the end, three Unionist MPs abstained in the vote of no confidence that sustained Callaghan in office. The embittered Enoch Powell, and the self-avowed 'liberal' and 'social democratic' John Carson and Harold McCusker, had reasons beyond any UUUC instruction to not vote against Labour. Both Carson and McCusker voted with the government in 1979, Carson becoming deselected by his local constituency party as a result. Ultimately, although this decision was co-ordinated to a degree, it remains moot as to whether the UUUC – increasingly riven by internal tensions – could ever have united to consistently and reliably prop up the government. Members of the group dismissed talks as a 'waste of time'; William Craig, as leader of the three man Vanguard Party, was already committed by a party-wide decision to bring down the government (*The Times*, 21/3/1977: 2). Demands, beyond the patently transactional call for further

Northern Irish (an *de facto* Unionist) members of parliament, were set out to Mason and Foot as a Unionist 'shopping list', but never likely to be achievable. Callaghan had promised, in discussion with Molyneaux, an increased number of MPs for Northern Ireland regardless of co-operation and 'even if you are not able to carry your colleagues'. This was, in effect, a *quid pro quo* 'deal' (though Steel argued that 'it doesn't amount to a deal') to reinforce Callaghan in office (Steel. 1980: 110). But any longer-term co-operation, capable of sustaining Callaghan would have required the most anti-Labour MPs – Vanguard MPs Craig, Bradford and Dunlop, and the Rev. Ian Paisley – would have led to the loss of the nationalist support. The agreement only worked on its own limited terms and could not have carried the government, as Callaghan desired, for at least another year.

Inter-Party Negotiations between Liberals and Labour

As a result, a stable agreement with the Liberals was the optimal outcome if executive office was to be comfortably maintained. When selling the deal to cabinet Callaghan stressed the agreement had been formed to 'establish a continuing basis for co-operation' (Cabinet Minutes: The Political Situation, CAB128 CM(77) 12, 23/3/1977). Callaghan told the media the day before the vote of no confidence that 'all of us are interested in doing something that would last for a much longer period', the white smoke that seemed to confirm co-operation with the Liberals was processing (Cabinet: Liberal Party Agreement, PREM 16/1399/31). It was on these grounds of medium-term sustainability that Callaghan's key political advisors – Tom McNally, Roger Stott, Tom McCaffrey and Bernard Donoghue – had urged a reluctant Callaghan to prioritise a Lib-Lab deal. A short-term partnership based on abstention would be endangered immediately if by-elections in Birmingham Stetchford and Grimsby were lost.[18] This group of advisors, which formed Callaghan's 'kitchen', were listened to. Although Callaghan had a reputation of 'occasionally being quite intimidating and headmasterly', they had a relationship where all 'vied to put across ideas' (Leigh, *The Times*, 21/2/1977: 2). The four had all met on Monday 21 March, following Friday's no confidence motion, and agreed a deal had to be done (Donoughue, 2008: 21/3/1977, 167).

Callaghan was convinced by this logic of no alternative. But he also became more enthusiastic as inter-party negotiations developed, and Steel's minimalistic bargaining position began to be whittled away. Callaghan's claimed to his cabinet the Liberals had 'pitched their initial demands unacceptably high', (Cabinet: Liberal Party Agreement, PREM16/1399). The opposite was true. Ultimately, Callaghan's key concession was one based on mutual trust that had developed between the two leaders – Callaghan, off the official record, and without informing his cabinet when selling co-operation, had promised his personal backing for Proportional Representation in a free vote on elections for the European Parliament. This half-way house – neither a roll-call or whipped vote, but also the promise of leader-led impetus that made it more than a whipped vote – assuaged Steel, who believed, with some Tory support, proportional representation would

[18] Stetchford, Jenkins' old seat, was lost in the subsequent by-election.

be passed (Steel, Interview, 2016). The five stages of negotiations concentrate the core themes: Steel's belief that co-operation would foster inter-party dialogue, as well as securing these institutional changes; and Callaghan's aim that the pact should be undisruptive to the machinery of government, and unchallenging to his party.

1) First contact and initial bargaining positions

Bill Rodgers, following Callaghan's instruction, rung Steel on Saturday 19 March and discovered the core Liberal aims, and their leader's basic negotiating position. Rodgers found Steel's demands limited and achievable. As a gauge of the Liberal's negotiating strength, any call for proportional representation at Westminster was dismissed out of hand, with Steel telling Rodgers he did not see it as a possibility in his lifetime (Note: Discussion with William Rodgers, PREM 16/1399/54). Steel did, however, have three demands: a vote on proportional representation for direct elections to the European Parliament, backed up by a pay-roll vote; progress on devolution, with proportional representation for devolved assemblies; and a 'formal Government/Liberal liaison committee'.

Steel was aware the overriding consensus was that the Liberal Party was trapped rather than empowered, and he was 'displeased by the tone of newspaper speculation' (Steel, 1980: 31). Donoughue (2008: 21/3/1977, 167) felt that 'the Liberals are in a suicidal frame of mind: at least eight Liberals would lose their seats'; Benn argued Liberal representation would be down to no more than a few MPs and – against the conventional wisdom of the cabinet at the time, and historians subsequently – that, on that basis, they had extracted a deal more valuable than their position merited (Benn, 1990: 18/3/1977, 78; 23/3/1977, 90). Steel's candour with Bill Rodgers undermined his position. A report reached Callaghan that 'Mr Steel had said he did not want an election, but his honour was at stake and he could not be seen to duck one' (Note: Discussion with William Rodgers, PREM 16/1399/54). This gloss was somewhat surprising given the Liberals' role as potential kingmaker – or, at the very least, their status as the only party which could act as an effective parliamentary bulwark for Callaghan's administration. The party's arithmetical importance in the House of Commons was undermined by their electoral weakness. But there were also concerns about whether co-operation with an incumbent government, with dwindling support, could mean the party's electoral position was undermined further still. This wariness of 'the nutcracker in which (the Liberals) are now caught' (*The Guardian*, 22/3/197: 1) meant Steel, and his parliamentary party, were wary of seen as making the first move towards co-operation. Many senior figures in the party across the country, for example Ming Campbell, then Scottish Chair, were concerned less about policy concessions than being 'seen to keep an unpopular government in power' (Geoff Tordoff Memorandum, 19/2/1977, LLP 19/2). This emphasis on how negotiating machinations would impact outside Westminster gives some indication of how Liberals viewed their potential symbolism and impact.

It is on the grounds, fear of the perception the party was propping up an unpopular government, that Steel justifies not meeting his party between leaving Westminster following the vote of no confidence on Friday, and meeting Callaghan at 6pm on Monday. Prior to Steel's original discussions with Rodgers, and his first one-to-one meeting with Callaghan, Steel had deliberately not met his parliamentary party *en masse*. But, in a direct attempt to address their potential concerns, Steel did make sure his party was heard. But it is debatable whether the comprehensive consultation he commissioned of the party, conducted by Chairman Geoff Tordoff, had any notable effect on negotiations or Steel's strategy (Tordoff, Interview, 2016). Some findings useful to Steel, that the party were more ready for an election organisationally than they had been in February 1974, were repeated in discussions with the media. Others, that constituency associations were looking for 'cast iron' guarantees (on electoral reform, devolution and 'some economic element') were acknowledged but shrivelled away in one-to-one discussion between Steel and Callaghan (Geoff Tordoff Memorandum, 19/2/1977, LLP 19/2). It perhaps helped in appeasing reluctant MPs and the parliamentary party, who were the only body with any hypothetical direct sway over the negotiation's direction and ratification. Steel had consulted each MP by phone – particularly Pardoe – on Sunday 20 March after talking again to Rodgers and agreeing to meet Callaghan the following day. Steel's rigorous account of the pact devotes just one page to that weekend, including a recount of a production of *My Fair Lady* by the Selkirk Amateur Operatic Society (Steel, 1980: 32). Accounts differ of how much time Steel devoted to consulting and cajoling colleagues prior to his first talks on Monday 21 March with Callaghan, which he insisted be conducted on a one-to-one basis. Chief Whip Sir Alan Beith recounted, in the context of the Lib-Lab pact, that 'in a group of 13 it's quite difficult to keep secrets, even though David did try for some of the time' (MacGregor, 2013).

2) <u>Meeting between Steel and Callaghan, 21 March</u>

Steel recounts that his first meeting with Callaghan gave 'sufficient encouragement that an agreement could be possible to put to some of my colleagues' (Steel, 1980: 35); Donoghue's contemporaneous diaries describe Steel as 'bewildered', and Callaghan as believing the talks were 'very unpromising' amid a general feeling that 'it was a bad start' (Donoughue, 2008 21/3/1977, 168; Morgan, 1997: 567). If Steel felt he was being particularly amenable to Callaghan's demands, he would have to go further. Callaghan was particularly strident on the language of the agreement and Steel quickly retreated from an assertive stance on the framing of co-operation, the key area discussed in the first meeting. Callaghan wanted an expressly *ad hoc* arrangement, centred upon particular legislation and based upon the principle that 'it was right for the government to see its (economic) policy through'; Steel 'was not interested in a one night stand' and wanted formal mechanisms for Liberal consultation, akin to those Callaghan had set up with the TUC to reinforce his internal position (Callaghan/Steel Meeting 6pm', 21/3/1977, PREM 16/1399/45). Callaghan felt potential comparisons between the terminology Steel used, and that of the liaison mechanism he had set up with the trade union movement, could be particularly problematic. He told Steel 'he was sure his party would find it unacceptable' and that it would be 'very damaging to his position as leader'. While prioritised

by Steel, this was not as issue discussed at length by the Liberal Parliamentary Party who were, conversely, concerned principally about an arrangement not having a break clause at the end of the parliamentary session (Kirkup, 2012: 123).

While less emblematic of the Liberal psyche than wrangling over voting systems, this discussion over consultation was important. Steel subsequently suggested a much less structured concept, and parked discussion of the terminology and practice of consultation, to the long-term detriment of the agreement. This meant that consultation proceeded on a less structured basis. From the Pact's commencement, Kenneth Stowe and John Hunt, the Cabinet Secretary, reigned in this type of consultation with Liberals that Steel desired, seemingly on Callaghan's private instruction. Callaghan told Stowe that:

> Liberal Party spokesman should only be given classified information if the information is intended to be published … classified information not intended to be published should be made available to the leader of the Liberal Party only after consultation with me.[19]

This was not an arrangement Steel was aware of throughout co-operation. One of the core elements Steel felt crucial to achieving the aims of co-operation was the building of cross-party trust. How consultations would operate, and whether Liberals would have any civil service support, were left to be shaped after formal agreement. The day-to-day management of consultation was ultimately out of Michael Foot's office, who was particularly keen to minimise the normalisation of cross-party co-operation (Callaghan Note: The Liberal Arrangement, PREM16/1399/20), and the Liberals received no administrative support from the civil service in the first six months of co-operation. But even this consultation mechanism was inherently limited by restrictions on information and resources. As Callaghan tellingly stressed to his cabinet 'the Consultation Committee is just that. It has no powers' (Cabinet: Liberal Party Agreement, PREM16/1399/31).

3) Meeting between Steel, Callaghan, Foot and McNally 12.30pm 22 March

Callaghan chose to use particularly conciliatory language between the first and second meeting of the two leaders, telling the BBC he was looking for an agreement 'that preserves both our self-respect and their self-respect' (Vote of Confidence, 21/3/1977, ITN News Archive). But the second meeting began with Steel on the back foot. Callaghan had been sent an outline of the Liberal position, formed following the first meeting of Liberal MPs. It was a low point in negotiations. Upon receipt, Callaghan threw the letter from Steel on the floor in disgust (Donoughue, 2008: 22/3/1977, 169; Morgan, 1997: 567). The second meeting subsequently began on the basis of a different document, drawn up by Callaghan's advisor Tom McNally and PPS Ken Stowe (Aide Memoire, Callaghan to Steel, Annex B, PREM 16/1399/37). Steel

[19] PREM16/1399, repeated on BBC Radio 4 – to Steel's apparent surprise at Callaghan's secrecy.

quickly described the document he had drawn up in consultation with Liberal MPs as only for consultation: 'there was only one other copy, and he did not intend that it should ever see the light of day' (Meeting: Callaghan/Foot/McNally/Steel, 12.30pm PREM 16/1399/39.

Prior to this meeting, Pardoe and Foot had also met – the only formal meeting between the two parties at which Callaghan and Steel were not present. Foot used Pardoe's as an insight into the Liberal mind-set. This led Foot to seriously push for a minimal possible position in the final stages of negotiations. He seemed to hold great store in Pardoe's hint, during private discussions between the pair (the only inter-party talks not to include Steel) that 'the government and the Liberals would reach an agreement … it would have to be'. This was in large part due to the fact Pardoe 'hadn't come to Westminster to put Mrs. Thatcher in power' (Meeting: Foot/Pardoe, 9.45pm, 21/3/1977, PREM 16/1399/44). So, as a historical quirk, the presence of Margaret Thatcher as head of the Conservatives helped keep Michael Foot in government for two more years. These assurances by the Liberal finance spokesman had a tangible effect. Callaghan was leaning towards offering a guarantee of proportional elections to the European parliament, on the grounds it was 'of total obscurity in relation to the outcome of a general election' and he was sure it would receive cabinet approval. Foot persuaded him, following discussion with Pardoe, 'this was not a gnat to swallow' (Foot/Callaghan Discussion, noted by Ken Stowe, PREM 16/1399/41, 22/3/1977).

Pardoe's subsequent absence at this second inter-party meeting, given Foot's attendance, was notable. The discussions boiled down to negotiation on the electoral system used for the proposed devolved assemblies and direct elections to the European Parliament. Steel, due to Callaghan's earlier reluctance to countenance proportional representation in Scotland and Wales, had suggested a free vote on the system used there, but with further guarantees on PR for Europe. The meeting was ended without resolution. Further discussion in the room after Steel left appeared to entrench the Labour position against a whipped vote on PR, foot persuading further concessions on PR were unnecessary to extract Liberal support. This time, McNally and Stowe took the lead with the post-negotiation write-up that recapped and entrenched the negotiating positions of the two parties – with the document suggesting that the government would do no more 'take fully into account the known preference of the Liberal Party for a proportional system', but also substituting other key passages: the pact would be for 'economic' rather than 'national' recovery, there was no commitment on a consultative committee beyond it 'meeting regularly', and any substantive commitment on the substance of economic issues was removed completely (Annex D, PREM 16/1399/41).

4) <u>Meeting between Steel, Callaghan, Foot 5pm 22 March</u>

This meeting was of equal length to the 12.30 meeting but official documentation, while considerably shorter, is notable for the fact Steel had, again, brought no Liberal colleagues and that negotiations had now boiled down, wholly, to proportional representation for Europe. Stowe's write-up emphasised that 'the government could not give a pledge of Proportional Representation <u>at this stage</u>' (Meeting:

Callaghan/Foot/Steel, PREM16/1399/37). Steel stressed that there was 'much local feeling' about the issue of PR. The key tension was what could be conceded within the ambiguous space between a whipped vote and a free vote, and Callaghan's ambiguity in stressing the possibility of late action showed there had been some flexible thinking on how to proceed. The movement from a 'pay-roll' vote to something less significant began here, and culminated in the compromise that Callaghan would personally, and publicly, support any proposal for proportional representation. Some Liberal MPs pushed Steel on this issue, suggesting they could not support any agreement without a formal understanding that Labour would support proportional representation.

5) Meeting between Steel, Callaghan, Foot and Pardoe, 9.45pm 22 March

At this meeting, Steel felt confident in bringing John Pardoe to the negotiations. However, Pardoe recounts telling Callaghan, almost immediately, that his party 'must achieve something concrete out of this, and the only thing the Liberals think is concrete is proportional representation' (Kirkup, 2012: 125). It is notable the substantive progress made in these final stages of negotiations took place without Pardoe present after he had 'left the meeting to record a TV interview in which he cast doubt on the likelihood of a pact' (Meeting, Callaghan/Foot/Steel/Pardoe, 22/3/1977, PREM 16/1399/31). The issue of PR was not further discussed until Pardoe's absence when Callaghan agreed a free vote on the floor of the House, and let it be known he would be publicly favour a proportional list system for elections. The meeting lasted for 45 minutes, and Steel recounted that 'we talked round and round the subject, with my doodling stronger drafts' (Steel, 1980: 39). Some drafts of the agreement that night gave a written indication that Callaghan's government would recommend a form of proportional representation and that there would, at least, be binding cabinet responsibility (Statement Drafts, PREM 16/1399). Yet this was an agreement forged on trust and the (faulty) assumption that Callaghan's support would bolster the prospects of a vote, enough for it to have a reasonable chance of the legislation passing. Conservative cabinet ministers in private had noted that those within Labour implacably opposed to the European project, among them Foot, would welcome a chance for the prospect of proportional representation to be brought down in the House through a free vote (Young (Hurd), 2008: 30/3/1977, 106).

Steel was convinced by the belief, following some discussion with Conservative MPs, that there was substantial support for proportional representation within the Conservative Parliamentary Party (Steel, Interview, 2016). Steel stressed that he had secured a private understanding Callaghan would support PR; Callaghan explicitly assured the Cabinet at this time that 'there was no private understanding that did not appear in the statement which the Cabinet had before them' (Kirkup, 2008: 125-26). In the end, the crux of the agreement, the passage on European Elections that had dominated the second half of negotiations, reflected the fact that Callaghan had not promised to push for proportional representation. It stated that:

> The government is publishing next week a White paper on Direct Elections to the European Assembly which *sets out the choices among different electoral systems but which makes no recommendation*. There will now be a consultation between us on the method to be adopted and the government's final recommendation will take account of the Liberal party's commitment. The *recommendation will be subject to a free vote of both Houses*

The final hurdle was for co-operation to be agreed by both parties. Steel's fellow MPs were convinced that Callaghan's verbal guarantee would be enough, and the concession the party needed. The majority, with two firm objections in Grimond and Penhaligon, supported co-operation and Grimond later noted ruefully that 'the Liberal establishment backed David Steel when he went into the pact' (Young (Grimond), 2007: 28/4/1977, 111). Within the Labour cabinet, it is difficult to detect significant lobbying against a pact prior to the cabinet meeting that accepted it. At that meeting, there was a feeling that Callaghan had to persuade and cajole. Ken Stowe recalled it as a 'virtuoso performance' (Morgan, 1997: 568), while Donoughue's (2008: 168) account has Callaghan telling him the meeting had been more difficult than expected. The presence of Michael Foot in negotiations was viewed as of great importance as a way of shoring up support, and his support and lead on negotiations was key. Callaghan particularly emphasized Foot's role, as well as the limited nature of the agreement. The cabinet did not question whether there were further tacit agreements between the two leaders, or how Callaghan had come to such a favourable deal that was, on proportional representation, 'extremely weak' (Owen, 1991: 192). The official record not some discord, with the agreement likely to metamorphosis into a coalition government and would subsequently 'make it difficult to develop a Socialist manifesto for the next election' (CAB 128 CM(77), Cabinet Conclusions 12 23/3/1977). But the faithful recording of this minority opinion was almost wholly concerns voiced by Tony Benn. By twenty votes to four, the cabinet supported the agreement.

Benn was not completely isolated in opposition. He was, however, the only member of the cabinet to attempt to overturn the decision. Benn had uncharacteristically, and in striking contrast to other accounts of the meeting, been disappointed with Callaghan's style of discussion in cabinet and railed against the lack of consultation more broadly. Benn left the cabinet meeting with a copy of the pact's outline, against express instruction, and conspired against the collective decision to begin inter-party co-operation. This was important, cutting to the heart of the internal structures that had (just about) retained cohesion and maintained Callaghan's leadership in the year preceding the Lib-Lab Pact. Benn's clear disappointment with Foot's role in co-operation, noting his relationship with him would never be the same again, also augured poorly for the internal battles within the party to come. In collaboration with the left-wing MP Ian Mikardo (who Callaghan 'hated'), Benn organized the creation and dissemination of a letter signed by Tribune members which, while denouncing the Lib-Lab Pact, ultimately pledged support in a vote of no confidence (Letter 23/1977, PREM 16/1399/29). Benn was not among the 48 signatories of the letter. A frosty phone call between Callaghan and Benn gave him the choice of either keeping his name on the letter before publication (he had already signed it) and resigning from the cabinet as he had 'said close to the wind in the

past, but this time he had come to the limit'. Benn reluctantly remained, but abruptly ended the conversation by telling Callaghan: 'well, to get Steel in and me out would certainly complete it' (Meeting: Callaghan/Benn, 8pm 24/3/1977, PREM 16/1399/19).

Conclusion

Institution-Facing Constraints

If Benn was worried about Steel getting too close to the apex of government, this was a fear he shared with his Liberal counterparts. A key point of contention among Liberal MPs was the style in which the Liberal Party would be conducting themselves in co-operation, and the way the agreement was negotiated and sold to Liberal members and the wider public. Supporters of the pact, such as Liberal MP Emlyn Hoosen, felt it was 'important to acknowledge the fact that there was a lot on brinkmanship involved in the agreement' (Meeting of Shadow Administration, 30/3/1977, Steel A/3/1). Cyril Smith, who quickly became a vocal critic, felt that 'the success or failure of the agreement in political terms depended on an aggressive public stance' (Meeting of Shadow Administration, Steel A/3/1, 13/4/1977). There was a wariness here about the Liberal Party getting too close to the Labour Party. A key Conservative attack line, bemoaned by Pardoe at the first meeting of the joint Liberal-Labour Consultative Committee, was to repeatedly ask whether the Liberal Party was in opposition or government (Joint Consultative Committee, 30/3/1977, PREM16/1399/4). Similarly, ex-leader Jo Grimond's concerns about co-operation were principally centred on the Liberal Party being gobbled up within a system unused to tallying the minutiae of policy concessions. The key charge, which Steel later levelled at Clegg in 2015, was naiveté – asking 'what ice will we cut with our little concessions' given that 'we will be landed with all the bad things that Labour has done' (Young (Grimond), 2007, 112, 28/4/1977; Steel, *The Guardian*, 2015)

Steel took the opposite approach, and saw the ability to negotiate and act in confidence as important to the Liberal's image as a prospective party of government. Instead of dulling the Liberal's radical appeal it could reframe the party's role within the party system as one of moderation and multi-party governance. He saw this as a more viable long-term position for the Liberal Party. As a result, Steel regarded some Liberal behaviour throughout the pact as obstructive or embarrassing, castigating fellow MPs for being 'not always very effective or well briefed' (Meeting of Shadow Administration, 13/4/1977, Steel A/3/1). For his internal critics in the Liberal Party, Steel was 'was always going to be a good guy as far as Labour was concerned' (Slade, 2002: 17). Steel attempted to define the Lib Lab Pact as a 'unique experiment', believing it could show the benefits of collegiate and co-operative government and directly strengthen support for proportional representation as a result. In one sense, these were the manifestation of two different, and for Liberals competing, pathologies within the British political tradition. There was a concern that the binary

distinction of government and opposition would mean that the electoral effect for a party in 'quasi-government' could be damaging, which many Liberal MPs increasingly feared. But for Steel the agreement was about reformulating the Liberals as a party of government, and the idea that this requires parties to be able to function within a system of centralised leadership.

Attempts to question the legitimacy of co-operation, and to cast it as an elite-level ruse that went against the culture of Westminster-style governance, did not gain as much traction as some Conservatives may have hoped. Lord Hailsham described the Lib-Lab Pact as showing 'the evils of elected dictatorship', as instead of going to the country both Labour and the Liberals had co-operated to 'prevent the people expressing any opinion whatever'. This was in contrast, he argued, to the Heath-Thorpe talks, when the duty of politicians to 'accept the verdict of the poll and to make it work' had driven negotiations (*The Times,* 5/4/1977: 2). It is not clear that any qualitative difference in perception – between an agreement forged midway through a parliament, and one formed from immediate post-election machinations – existed in practice. Michael Meadowcroft (Interview, 2016), a prominent opponent within the Liberal Party of the agreement, argues there was 'considerable anxiety about the Lib-Lab Pact but there was hardly any attempt to argue that it was not legitimate'. While Margaret Thatcher railed against 'shabby, devious manipulations', this was not a criticism that sustained. Perceptions of legitimacy and public opinion were clearly factored into some of the elite-level negotiation dynamics, particularly Liberal reticence to publicly push for co-operation. But few forecast that the agreement was inherently electorally deleterious, not least because both parties were already experiencing dire poll ratings in any case.

This institutional environment did shape the arguments of advocates and opponents of co-operation. There was an awareness that, for the electorate, co-operation would be a shift change. But it was thought it could lead to changed electoral behaviour and the expectation was that voters would adapt to accommodate these new inter-party dynamics. Opponents in the Labour cabinet feared it 'enhanced the position of the Liberal Party to the disadvantage of the Labour Party' and, therefore, though:

> The accommodation was said to be a temporary and experimental one, it would tend to become permanent and could lead into something like coalition government. This, in turn, would make it extremely difficult to develop a Socialist Manifesto for the next Election. (Benn, 1990: 23/3/1977, 91)

This belief that the pact could foster and develop favourable attitudes to co-operation clearly had an impact on negotiations. Callaghan and Steel both agreed that co-operation 'should not end in a row', given the possibility the agreement could have been renewed. But, equally, it hardly ended with the electorate calling for an encore. Steel hoped in the following election to campaign on the back of the pact, 'notably providing the parliamentary stability which allowed the fight against inflation to be carried on' (Steel, 2012). Steel blames the subsequent Winter of Discontent for his inability to argue a convincing defence of the party's

time in co-operation. The party did run an overtly 'realistic' campaign, Steel stating their strategy had 'changed since 1974' and arguing the benefits of co-operation with either of the main parties (*The Times*, 10/4/1974: 10). But a defence of the Lib-Lab Pact itself was not a central feature, and co-operation had not had the transformative effect on perceptions of government that Steel may have wished for.

How much of a critical juncture the Lib-Lab Pact was in shaping the Liberal Party's electoral identity is an open question: certainly, both Margaret Thatcher and Tony Benn were united in seeing the Liberals' electoral identity as re-shaped and damaged by the agreement. Indeed, the Liberal Party's immediate electoral fortunes after going in to the pact were calamitous. The party's Gallup poll ratings entered single figures for the first time since before their surge in 1974 (Cole, 2011: 61). But the party's support had been drifting steadily downwards in any case (Butler and Kavanagh, 1979: 35). The loss of deposits in all but one by-election throughout the pact was damaging to Liberal morale. But the result in 1979 was stability rather than significant losses. Within the Lib-Lab strategy was the idea that any election could see the Liberal Party losing votes, but gaining seats as Labour voters tactically endorsed the party that had co-operated with Labour in government. Tactical voting of this kind did have an effect in some Conservative-Liberal seats, significant enough for John Curtice and Michael Steed to argue it saved one Liberal MP, and there was a clear loss of Conservative supporters who had previously voted tactically for the Liberal Party. But these changes were partially limited by the unexpected 7-month gap between the pact's conclusion and the general election – the Liberal Party did begin a slow process of recovery from the moment the Lib-Lab Pact was wound up.

Party-Facing Constraints

Tom McNally (Interview, 2016), a key figure in Callaghan's administration, argues in retrospect that 'one might have thought the most sensible thing would have been to fight the next election (in 1979) on a joint platform … that it was not was one of the great mistakes, built on the tribalism of both parties'. The fact electoral co-operation between Labour and the Liberal Party was not discussed in any significant way is perhaps surprising. What is clear is that the limited nature of the Lib-Lab Pact, and its clear electoral expediency, stifled internal criticism. The NEC National Secretary Sam McCluskie (also, at the time, Assistant General Secretary of the National Union of Seamen) wrote to Callaghan to tell him it was a 'cardinal error' to bypass the NEC, and an approach, which 'totally lacked any intention of involving the party in the country', would bring the parliamentary party, and the government, into 'internal dispute' if repeated (McCluskie to Callaghan 28/3/1977, PREM 16/1399/15). But he still, reluctantly, supported the agreement. At Labour's 1977 conference there was opposition to the pact among delegates, but the Tribune Group was largely attacked for its ineffectiveness in opposing the pact. Dennis Skinner, for example, bemoaned the 'coalition' for having the effect of damaging promises to 'redistribute the wealth of the country' (*The Times,* 3/10/1977: 6). But Michael Foot's belief at a conference fringe meeting, that 'the vast

majority of the Labour movement in the country know that we were wise to do it' (*The Times,* 3/10/1977: 5), was not seen as demonstrably absurd.

However, there was no significant attempt by Callaghan to consult his party, either in parliament or the country, on the Lib-Lab Pact. But among moderate MPs there were indications of support. An impromptu focus group of four MPs conducted by Callaghan found three in support, and one against. Callaghan's whips also took some positive soundings, from some unlikely places. The left-wing MP Audrey Wise was emblematic in that, 'having consulted her tiny majority as well as her Marxist principles', she told a whip that she supported 'a deal at any price' (Donoughue, 2008: 21/3/1977, 169). The letter signed by opponents of the pact was notable for its narrow ideological range of signatories, and its hollow ineffectiveness. Quite simply, if Labour MPs were wary of co-operation with Liberals, they were far warier of losing their jobs. Any medium-term calculation of party political advantage or tribal dislike of the Liberal Party was subservient to this short-term interest.

The general temperature of the left was, though, more positive than opponents such as Benn had hoped for, and anticipated. The trade union movement was in favour of an agreement and allowing Callaghan space to negotiate, and the weekly Labour-TUC liaison committee supported a deal, though not 'at any cost' (Cabinet Minutes: The Political Situation, CM(77) 12, 23/3/1977). The level of fracture within the Parliamentary Labour Party in this period was significant. Stowe and Tom McCaffrey discussed 'uplifting consultations with the PLP' as a 'precaution against the day when you may be criticised because consultation is moving faster with the Liberal Party than the PLP' (PREM16/1399/14). That this was never the case shows the limited significance of the Lib-Lab Pact. The discord between the leadership of the Labour Party and significant sections of the PLP was clear, and this was not resolved. Seven months after the dissolution of the pact, in March 1979, the Labour and Liberal Chief Whips, Michael Cocks and Alan Beith, conspired to call the Liverpool Edge Hill by-election a month before Callaghan went to the country in a (successful) bid to aid the victory of the Liberal, rather than Tribune endorsed Labour, candidate (Beith, 2008; Meadowcroft, 2016, Interview). But the limited scope of the pact, and the lack of pressure on Labour MPs to deliver its key policy pillars, meant intra-party pressure was limited.

Kirkup's (2012) account of negotiations suggests that, if other senior Liberal figures had been more involved in negotiations, the Liberals would have extracted a higher price. Callaghan, on the other hand, used the spectre of an ambivalent or even antagonistic cabinet to extract more stringent terms from Steel. In negotiations Callaghan said it would be impossible for any commitment by his party supporting proportional representation to gain cabinet support. Senior members of his cabinet say the opposite was the case, and cabinet records appear to show a cabinet willing to listen to the case for electoral reform. It was clear Steel saw the Labour Party's withdrawal from negotiations as a real possibility, and willed a negotiation at any price much more strongly than any of his parliamentary party. The equivalent body for Steel was local Liberal parties. Steel consistently reiterated to Callaghan that local Liberal parties felt

particularly strongly about proportional representation. However, the form of words eventually used in the agreement was far from the bold guarantee which consultation showed his grassroots desired.

Yet one of the principle lessons Steel learnt from the Thorpe/Heath discussions was to retain the impression of conciliation and dialogue with his parliamentary party, and Thorpe's biographer, Michael Bloch (2014: 479), noted Steel 'took care to confer at every stage of the hurried negotiations'. Levels of consultation within the Liberal Party, despite their having little effect on Steel's negotiating stance or flexibility, were certainly greater than those conducted by Callaghan – who made no overt effort to consult his parliamentary or extra-parliamentary party at any length, until the pact agreement was essentially a *fait accompli*. There was a tacit acceptance that the agreement was Callaghan's alone to forge – leading Tony Benn to remark that 'this is what happens with coalitions: you trust your leader and he does deals and you follow him out of loyalty. Much new thinking needs to be done' (Benn, 1990: 82). Callaghan was reticent even to involve his close staff, telling them 'you know I have to keep these things very close' (Donoughue, 2008: 21/3/1977, 169). This showed the importance of symbolic intra-party consultation in managing opposition to inter-party agreements. Steel feels that 'there were always some voices against, but the party responded to it well' (Steel, Interview, 2016). Given the disconnect between what his party wanted from co-operation, and what they ultimately gained, this was a significant achievement.

Callaghan – defending 'existing institution equilibrium'?

Crucial to any understanding of the strategic purpose and effect of the Lib-Lab Pact is the parliamentary arithmetic that forced negotiations, and the short-term expediency that drove Labour's bargaining aims. Given its limited long-term effect it must be judged a success on Callaghan's terms. Callaghan's strategy was a short-term parliamentary repositioning, and was rhetorically sold as such. There was no attempt to use co-operation with the Liberal Party to reconstruct the Labour Party's electoral identity. Framing the agreement as forged in 'pursuit of economic recovery' rather than 'national recovery' was the result of Labour attempting to limit the practical scope of the agreement, as well as defining it as born from exceptional circumstances (Joint PM/Liberal Statement, PREM 16/1399/31). The method of extracting Liberal support – using internal deadlock about the method of election to the European Parliament to soak up vital Liberal legislative votes, and the chimera of consultative mechanisms that failed to operate effectively in practice – showed Labour paying little price for co-operation. The measure of Callaghan's success lies in the fact it had no significant or direct effect on later co-operation: those who saw it as a change in the reputation for co-operation and pluralistic governance were largely confined to the Liberal Party. As Callaghan's biographer, Kenneth Morgan (1997: 570), judges:

> whether the pact implied the seeds of an SDP in the making … is highly debatable. What it did was to renew Old Labour and give it a credibility it had lacked since the election of 1966.

Perhaps the strongest evidence of Callaghan's success lies in how far the Labour Party was from embracing constructive and positive co-operation following the conclusion of co-operation. Margaret Thatcher's forcing of a Vote of No Confidence in March 1977 created the legislative conditions for the Lib-Lab Pact through the near-certainty of the government's defeat without any agreement. The next time such a vote was called, in March 1979, she did end the Labour administration. Michael Foot argued in that debate that David Steel had transformed from 'rising hope to elder statesman, with no intervening period whatsoever'. More substantially, Foot argued that it is, and had always been, 'the duty of the Leader of the House to be prepared to enter into conversation with representatives of all parties', given that it 'assists the House in transacting its business' (Hansard, HC, v. 965 c. 577, 28/3/1979). Far from promoting the idea that the agreement could be expansive or a progenitor of a new model of party politics or realignment, Foot was representative of a party that saw any cross-party agreement in purely transactional terms. The emphasis on the agreement's arena being principally the floor of the Commons, rather than the ministerial consultation that Steel had emphasized upon its creation, is also instructive. Foot was clear that co-operation, past and present, should be seen as a legislative method of sustaining single-party executive power. It was a classic example of what legislative 'logrolling' – the trading of concessions as a means of constructing a temporary parliamentary majority.

This short-term interest was matched by Callaghan and (particularly) Foot's unwillingness to see Labour's long-term position in the two-party system, and the institutions they felt underwrote it, affected by co-operation. Callaghan briefly toyed with a more generous offer on electoral reform, given 'the outcome would be one of total obscurity in relation to the prospective outcome of a General Election' (Foot and Callaghan Meeting 12.30pm, PREM16/1399/41). However, Foot was resolutely against this concession: letting through PR for European parliamentary elections could have a 'slop over effect', and 'was not a gnat to swallow' (Foot and Callaghan Meeting, PREM16/1399/41; Aide Memoire: Stowe to Callaghan, PREM16/1399/38). What Foot described to the Liberal John Pardoe as Labour's 'permanent non-interest' in electoral reform is key to understanding Labour's positioning and stance. Callaghan and Foot's aim was to minimize the political impact from co-operation, narrowing down discussion from Steel's modest negotiating position, watering down the consultative structures and the practical effect of any parliamentary vote on proportional representation.

Callaghan was perfectly willing to consider coalition with the Liberal Party after any general election, if the parliamentary arithmetic had dictated. He had discussed portfolios for Steel with his advisors – with the Home Office the likely destination (Donoughue, Interview, 2016). But this was an eventuality Callaghan was keen to swerve. The desire for a working majority and to avoid the crutch of further inter-party co-operation was a key factor in Callaghan's delaying of the general election – Callaghan's archives hold a note written by Callaghan when calculating the merits of an Autumn 1978 during the summer recess, in which Callaghan scribbled 'don't make any alliances' (MS Callaghan 19: 2743; Kirkup, 2014). Despite Callaghan's continuing close relationship with Steel he made it clear he did not wish for a further agreement if possible,

and Steel was left surprised by Callaghan's decision to delay the election. For Steel it was a reminder that, in Westminster politics, *plus ca change, plus c'est la meme chose.*

Steel: disrupting 'existing institutional equilibrium'?

John Pardoe believed that, for David Steel:

> the game of politics was not communication with people, it wasn't even creating power, it was just being there. He loved every minute of it, he loved manipulating things, he loved manipulating beyond the scene. (Pardoe, cited in Maor, 2002: 74)

Historians of the pact, and reactions of those present, are and were united in their incredulity and accuracy in noting that significantly better terms were on offer for Steel on the totemic issue of proportional elections for the European Parliament (see: Owen, 1991; Kirkup, 2014). Steel, too, accepts that he perhaps should have extracted further concessions. But that is to misunderstand, or at least underestimate, the extent to which he saw (or, alternatively, was blinded by) the incalculable possibilities of quasi-executive office. His announcement, both to the press and in private to Liberal candidates, that everyone should 'forget the textual analysis of the agreement. It's what we make of it that matters' showed that policy, beyond that which enhanced his strategic aims, was of less importance than what the deal could do to reframe the Liberal Party as a party of government (Steel - Letter to Liberal Candidates, 24/3/1977, LLP 19/2; Liberal Press Conference PREM16/1399/18). But he also could be accused of a degree of naiveté. Steel was very aware of the acute problem for smaller parties in government and in 2015, following the Conservative-Liberal coalition, claims he told his party that a 'laundry list of alleged achievements in the coalition will not wash' (Steel, *The Guardian* 11/5/2015). But Steel was also under the impression that enough concessions could be eked out. He admitted that he did not 'know if the agreement was going to work. But I trust that it will work, and that is the most important thing' (BBC Tonight, March 1977 (Repeated 2015)). Disappointment about the direction of the pact led Steel to have 'underestimated how much the British people have been taught to think of politics as 'picking sides' … underestimated how frightened we have become in this country of innovation, of trying to do things a better way' (Leader's Speech: Brighton 1977).[20]

The political entrepreneur, Riker (1986: 64) argued, 'probes until he finds some new alternative, some new dimension that strikes a spark in the preference of others'. At the heart of both Steel's calculations and political ontology was a belief that the Labour Party, and Labour politicians, would be more hospitable to a politics defined by the language of conciliation and co-operation, and a leadership imbued with social democracy. Michie and Hoggart's (2014: 67) contemporary account presciently argued that, for Steel, 'the

[20] MORI polls in September 1978, and again before the election, found only 14 to 20 per cent agreeing that it would be a good thing 'if no party achieves an overall majority'.

pact was an end in itself, or rather a stage leading towards wonderful new super-pacts in future'. The political historian Jonathan Kirkup (2014: 189) argues that 'there is no evidence that either Steel or the social democrats in the PLP sought to use the Pact to engineer this process of 'realignment''. Steel sees it very differently, and argues that that it is:

> one of the responsibilities of being a leader – to look ahead, and envision things a bit differently. And that is certainly what I did in the early years … nobody could have foreseen there would later be a realignment, but it was certainly helped along by the EEC Referendum and the Lib-Lab Pact.

Steel's agency over the political landscape in this period can be overstated. The direct effect of the Lib-Lab Pact on the SDP-Liberal Alliance, as discussed below, was patchy. The subsequent inter-party dynamics of the SDP-Liberal Alliance did not directly stem from the Lib-Lab agreement. But the Lib-Lab Pact can only be sufficiently understood, and its efficacy from a Liberal perspective analysed, as an attempt to shift both the rules and ideational perceptions that determine British party politics. Attempts to shift the rules through the introduction of proportionality were an unqualified failure. But there was a very clear attempt not to push for any specific realignment but instead to foster and encourage an institutional environment in which further realignment and co-operation could be made possible. Steel suggested that, if there were another hung parliament, it would be hard for either main party to argue against the Liberal claim they had 'found a better and more acceptable way of running Britain'; it would be equally 'difficult to see how either party could refuse a referendum on proportional representation' (Speech to Liberal Party Council 20/5/1978, Liberal Party 19/1; Party Political Broadcast 31/1/1979, LLP 19/2). The subsequent SDP-Liberal Alliance points to the entrepreneurship that defined Steel's leadership, and the tenacity of his approach to co-operation. But it also provided further evidence of what Steel also knew: that his leadership was a necessary, but not sufficient, factor if inter-party co-operation could affect the institutional change that was the principal aim of his leadership.

CHAPTER FIVE – The Formation of the Liberal-SDP Alliance, June 1979-October 1981

23 June Roy Jenkins and David Steel meet to discuss political events, and the prospects for political realignment.

22 November Roy Jenkins delivers the Dimbleby lecture 'Home Thoughts from Abroad', which calls for reform and the creation of a new party of the radical centre.

1980

31 May Labour Special Conference at Wembley, at which pro-unilateralism and anti-EEC policies are endorsed.

7 June Owen, Rodgers and Williams warn they will leave Labour if it supports withdrawal from the EEC.

9 June Roy Jenkins delivers lecture to House of Commons Press Gallery, calling for a realignment of the 'radical centre.'

1 August Open letter to members of the Labour Party from Owen, Rodgers and Williams – named the 'Gang of Three' in the media – published in *The Guardian*.

29 November David Owen visits Jenkins' home in Oxfordshire, and sets out a vision for a party more firmly on the centre-left than the one Jenkins envisages.

10 December Meeting in Williams' flat, including Ivor Crewe and Anthony King, who outline considerable possible support for a new party.

1981

14 and 18 January Two meetings of the 'Gang of Four' to discuss the formation of a new party, and agreement about policy principles.

24 January Labour Special Conference at Wembley. New electoral college for electing the leader gives trade unions the largest share of the vote

25 January Limehouse Declaration issued by Gang of Four

26 March Official launch of the SDP. Bill Rodgers suggests the party will fight half the constituencies in the countries; the Liberal Party the other half.

3-5 April Anglo-German Königswinter conference, where Rodgers, Williams, Steel and Holme meet and agree on the outlines of an alliance between their parties.

7 April A rancorous joint meeting of the SDP Steering Committee and the Parliamentary Party meet to discuss the principal of immediate SDP-Liberal negotiations on co-operation.

5 May SDP Steering Committee endorses formal negotiations with the Liberal Party.

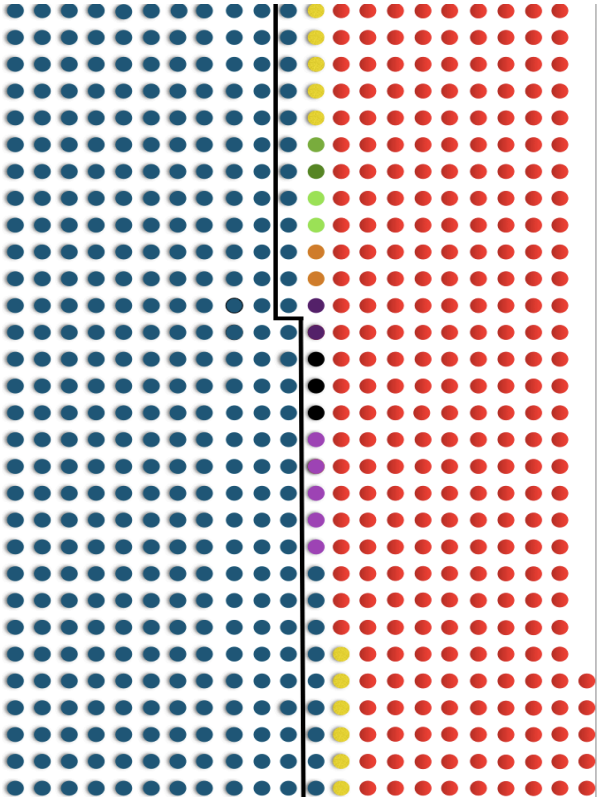
11 June Roy Jenkins selected as by-election candidate in Warrington following meeting of the parties, standing as 'SDP with Liberal support'

16 June Publication of *A Fresh Start for Britain,* a joint Liberal-SDP policy statement

16 July By-election in Warrington sees Labour's majority cut from 10,274 to 1,759. Roy Jenkins hails the result his 'first defeat in thirty years of politics, and by far the greatest victory'

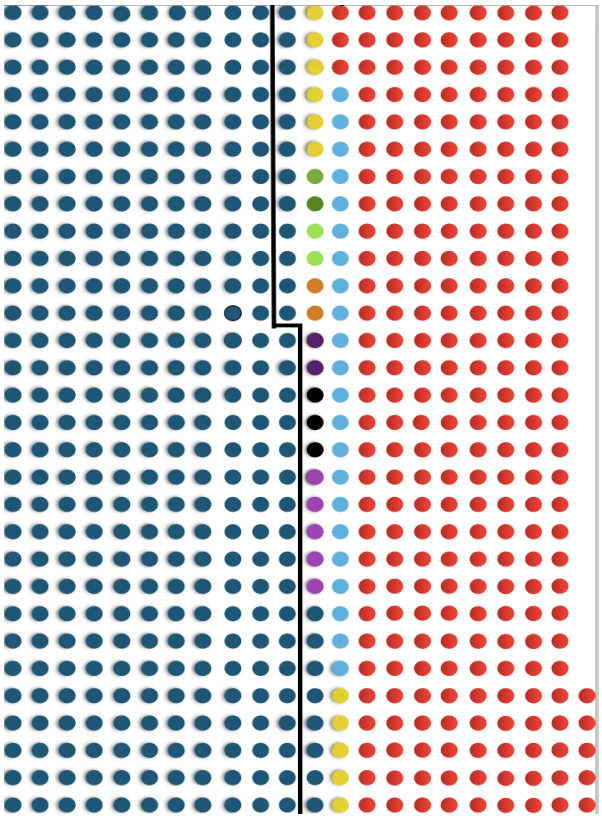
16 September Liberal Assembly at Llandudno endorses the pact, just 112 out of 1600 delegates voting against.

Figure 1: General Election 1979, seat distribution in the House of Commons



Party	Seats (% of total)
Conservative	**339** (53.4)
Labour	**269** (42.4)
Liberal	**11** (1.7)
UUP	**5** (0.8)
DUP	**3** (0.5)
SNP	**2** (0.3)
Plaid Cymru	**2** (0.3)
UUUP/UPU	**2** (0.3)
SDLP	**1** (0.2)
Independent Rep.	**1** (0.2)

Figure 1: Seat distribution in the House of Commons, October 1981



Party	Seats (% of total)
Conservative	**338** (53.2)
Labour	**248** (39.0)
Liberal	**12** (1.9)
SDP	**22** (3.7)
UUP	**5** (0.8)
DUP	**3** (0.5)
SNP	**2** (0.3)
Plaid Cymru	**2** (0.3)
UUUP/UPU	2 (0.3)
Independent	**1** (0.2)

'What I have proclaimed from the beginning was the need for a realignment of British politics which would unite those who agreed with each other but were separated by the artificial barriers of traditional party politics. And which would also uncouple those who fundamentally disagreed with each other but were locked in a loveless union, by the fear that the surrounding sea would be still less hospitable than the bickering raft'

Roy Jenkins, speaking in support of a Liberal-SDP merger, 1 February 1988[21]

'Does this mean I'll have to support proportional representation?'

Shirley Williams to Liberal Chairman Richard Holme, upon informally agreeing SDP-Liberal co-operation, 4 April 1980. (Holme, 1998: 12; Peel, 2013: 312)

Overview: Political Context and Heresthetic Strategies

The Alliance between the Social Democratic Party (SDP) and the Liberals, formed in 1981, is a case of a pre-electoral coalition successfully created between two distinct political parties. It followed a splinter from the Labour Party by social democrats – led by former Labour frontbenchers David Owen, Shirley Williams and Bill Rodgers, and joined by Roy Jenkins, recently returned from a spell as President of the European Commission. As this chapter shows, the decision to create a new party was prompted by three key factors in the Labour Party: policy change, particularly on the issues of unilateral nuclear disarmament and membership of the EEC; organisational change, particularly a move to an electoral college for electing the leader that Labour 'moderates' viewed as unacceptable; and what they saw as a permanent rebalancing of power in Labour towards the left, along with an inability after 1979 to counter the economic narrative put forward by the left of the party (Fielding, 2003: 126-27; Thorpe, 2015: 214; Wickham-Jones, 1996: 104). This chapter traces, over the course of 1980, how the concept of co-operating with the Liberal party fed into discussions about whether, and if so how, these MPs should splinter from the Labour Party. The creation of the SDP took place between January and March of 1981, with 10 MPs immediately joining the 'Gang of Four' among the party's ranks, with the party containing 22 MPs by the time SDP-Liberal co-operation was ratified by the SDP and Liberal conferences in 1981.

The SDP were ultimately able to attract 26 defections from Labour, 1 from the Conservatives and won 2 by-election results, quickly giving them 26 seats and dwarfing the Liberals 12. Consequently, the Alliance appeared to offer a symbiosis. The Liberals with a well organised, substantial grass-roots membership were able to join electoral forces with the new SDP, attaching itself to prominent figures with executive experience, gravitas and an unfettered approach to decision-making. Following the forging of co-operation, the 'Alliance' soon came to be seen as more than a basic electoral pact based on a transaction of seats.

[21]Recording, reproduced by Gwynoro Jones, and available at: https://www.youtube.com/watch?v=XDRNRflQ0QQ

Before the 1983 election Roy Jenkins, then SDP leader had been chosen as 'Prime Minister Designate' of the Alliance. By the 1987 election this had led to joint spokespeople, providing further consolidation to the two parties' promise they would act as a unitary actor in any coalition negotiations (Steel, 1987; Joyce, 1999, 243). In the 1983 general election the Alliance netted 25.4% of the popular vote, the highest third-party vote since 1923, but owing to the FPTP system this translated as only 23 seats, representing an overall significant loss of parliamentarians.

Subsequently, Roy Jenkins also stepped aside in 1983 for David Owen to lead the SDP. The personal dynamics between the 'two Davids' that led the second Alliance magnified policy divisions particularly over nuclear disarmament, and publicly demonstrated the flaws in the alliance. Commentators were quick to point out the immense difficulty of running an organisation with a plethora of leaders. After Neil Kinnock succeeded Michael Foot as leader of the Labour Party the Alliance found its support declining and in the 1987 general election, when the latter returned only 22 seats. The ultimate fusion of the two parties into the Liberal and Social Democrat Party, and the speed with which the agreement followed the SDP's creation, creates an illusion of inevitability to this original co-operation that this chapter analyses. This case study shows that the movement throughout the first half of 1981 towards co-operation between the two parties was far from certain, with clear and significant differences of opinion – particularly within the SDP – about the strategic purpose of inter-party co-operation, and whether it would help or hinder the SDP's aim to 'break the mould' of British politics.

This is also a history of the party fundamentally contested by those involved. Roy Jenkins – who, as this chapter shows, drove co-operation based on a belief in its inherent strategic value – argued relationships outside the direct political sphere were better not divulged and, 'like budget secrets, much better not talked about' (Cockerill, 1996). Yet unlike personal political life histories, the creation of the inter-party Alliance – so often couched by key actors in the language of marriage – is crucial to understanding the political party Jenkins helped create. There has yet to be an explicitly theoretically grounded analysis of the processes behind the creation of the agreement. The essential academic work on the Social Democratic Party, Ivor Crewe and Anthony King's *SDP*, is prefaced with the observation that it bears 'a disconcerting resemblance to a biography of someone who showed early promise, but died young' (Crewe and King, 1995: vii). Their comprehensive exploration of the party touches on whether two key areas that bookend the SDP's story – the fissure and splinter of Labour moderates, and the ultimate fusion with the Liberal Party – result from structural and institutional constraints and pressures, elite agency and high politics, or both. Yet their observation that the party 'went up like a rocket but came down like a stick' (Crewe and King, 1995: 3) suggests that, in the early period of the SDP's existence, it was able to defy political gravity with few problems. That is not their argument, and Crewe and King explore the internal dynamics of the SDP – but the use of the British Political Tradition can help theoretically ground some of these internal debates had within and between both the SDP and Liberal parties, with access to internal party documents. Crewe and

King's sub-heading and their structure, 'the birth, life and death' of a political party, is too suggestive of a transience that undermines the party's inheritance, and undersells its continuing legacy today on the ideational structure of British politics.

This inheritance is in party the inter-party co-operation that came before it, explored in chapters 2-4, and in part the differing political baggage that each of the key figures brought to the SDP - Placing the SDP, and the Alliance, within the context of inter-party British politics can uncover this context and continuity. Though not at the forefront of the decision of Owen, Rodgers and Williams to split from Labour, the inter-party alliance with the Liberals quickly came to shape conflicting interpretations of the SDP's intended purpose. The influence of the SDP and the Liberal Party's agreement, not least its limited electoral success, is felt in an institutional framework within which attempts at inter-party co-operation are discussed and understood today. But also, the way mutual agreements on policy, campaigning and seat distribution between the two parties were fostered, and gradually sealed and expanded within the first year and a half of the SDP's creation, is instructive. It helps in understanding the discourse involved in negotiations of this kind, and the dynamics of successful negotiations.

Given that, it is notable Jenkins' own account of the formative agreement between the SDP and the Liberals, from conception to realisation, is fundamentally contested. David Steel, when privately admiring Jenkins' leadership strengths, remarked on his 'ability to sweep grandly across hard issues … he can obliterate disagreements with the sweep of his hand. It's his manner, and his experience, and his past, and his weight' (Young (Steel), 2007: 25/3/1982, 178). An alternative view is that many key decisions were fudged or obfuscated to secure short-term support for a long-term strategy of deep Liberal-SDP integration. When Jenkins argued 'we both want to bust the system … neither of us can be diverted by trying to bust each other' he was promoting an inter-party agreement with the Liberal Party (Brown, *The Guardian*, 16/5/1981: 3). But it could just as well have been aimed at his ultimate successor as SDP leader, David Owen, who proffered an alternative political strategy to Jenkins' proto-leadership of the party. Jenkins may have left the 'bickering raft' of the Labour Party. But disagreement on the direction of his new political vessel, and who was captaining it, were sharpened by the narcissism of small differences, and the political and personal risks that had been taken in the creation of the SDP. But they were also fundamentally a question of political strategy and heresthetics: about whether inter-party co-operation with the Liberal party would help to remake the underlying structural equilibrium of British politics, or dampen the SDP's radicalism and make its chances of ultimately becoming a party of government more difficult.

David Owen ruminated in 2015 that the rise of UKIP proved correct his longstanding view that the British party system could accommodate four distinct, major political parties (Hennessy, 2015). As a result, Owen wished to accentuate the different identities of the SDP and Liberal parties. In contrast, overtly combative politics was Jenkins bête noir: he considered himself to the left of Owen principally because he did not

share his 'free market enthusiasm, or his respect for Mrs. Thatcher's style of government' (Hickson and Beech, 2007: 202; see also Jenkins, 1991: 617). This was a discord pivoted on (or, alternatively, fought through the proxy of) a different position on the heresthetic value of inter-party alliances. Importantly Rodgers and Williams had a more nuanced, or less fully-formed, interpretation than either Jenkins or Owen of the importance of institutional change, and how any new party should shape and respond to their political environment. Throughout the period of Liberal-SDP negotiation, swift in its agreement on fundamentals and protracted in organisational detail, the 'Gang of Four' operated on the principle of an increasingly frayed form of collective, and largely autonomous, leadership. All, with varying degrees of enthusiasm, agreed that an arrangement with the Liberals, in some form, was a necessary precondition to short-term electoral survival (Owen, 1991: 515-16; Crewe and King, 1995: 170; Rodgers, 2000: 212). But the key area of difference in accounts of the SDP and, Rodgers (2000: 219) claimed, 'the focus of our differences', was the party's electoral co-operation with Steel's Liberal Party.

In this key respect, and in the prioritisation of co-operation, Jenkins was fundamentally at one with David Steel. Jenkins and Steel shared a frustration that discussion on how the two parties should co-operate was 'based too much on deciding how much water there was in the kettle, as it were, and how it could be shared out' (Jenkins, 1989: 7/1/1980, 553). This thinking missed the point and purpose of the pact: as an additive arrangement with office-seeking objectives for its key participants, and a real desire to change the party system beyond adding a new silo for disgruntled Labour votes. Steel had drawn the conclusion from the aborted negotiations of 1974 and the Lib-Lab Pact that inter-party deals should be entered into by whole parties, rather than parliamentary elites (for party management, rather than any normative purpose) (Steel, Interview, 2016; see also: Crewe and King, 1995). The foundations of support for another inter-party alliance, when speculation began to mount in early 1980, were shaky. Yet by September 1981 and the Liberal conference vote on the Alliance, a constitutional necessity a direct result of the Lib-Lab agreement, Liberal compliancy with a new political party that seemed intent on stealing their electoral clothes was near-certain. Through each stage of the process, from Jenkins' speech through to the enactment of a comprehensive electoral pact, the momentum of each decision to integrate with the SDP gave added impetus to Steel's next move. So much so that, by the ratifying vote, *The Times* (Smith, 19/9/1981: 8) noted it had 'been so much taken for granted that the Liberal conference would endorse the alliance, that the extent of his achievement may have been obscured'.

Steel's management of his party at an elite level gave him the position to pursue a strategy of structural realignment and overcome these intra-party hurdles. Just as Jenkins (1991) tied his view of negotiations to his rejection of the idea that any party is a 'sacred tabernacle with those within it anointed and those outside damned', Steel equally made explicit his belief that a minimalistic 'non-aggression pact' would be 'little more than a cynical exercise for mutual convenience … the atmosphere would be one of grudging co-operation, rivalry and mutual suspicion. It would be a very poor second best' (Hetherington, *The Guardian*, 27/3/1981:

2). So, there was a symbolic importance to an agreement, coupled with an understanding that there was no alternative if either party was going to be successful on its own terms. The SDP exists today as a byword and historical portent in British politics for the failures of realignment and the politics of electoral co-operation. But the intra-party processes involved in the formation of co-operation must be seen as a key and underappreciated success: both for Liberals who had long advocated inter-party politics, and those within the SDP who envisaged from the start a party working closely in tandem with Steel's Liberals. David Owen had privately resolved that 'the essential is that a new party is not cast in Roy Jenkins' image' (Owen, 1991*:* 566). The key puzzle, from conception of the SDP to the realisation of the Alliance, is how Jenkins circumnavigated a political operator like David Owen, and succeeded in doing just that.

June 1979-January 1980: Jenkins-Steel Discussions

Hugh Stephenson (1983: 14)*, New Statesman* editor for most of the Alliance's lifespan, pointed out that both Jenkins and Steel 'had the luxury of being able to concentrate on the strategic aspect of these battles, safe in the knowledge that … the understandings and confidences between them were secure'. Long-term co-ordination between Steel and Jenkins meant the key battlegrounds in securing the pact were within both parties, rather than between leaders. The two men first met alone in June, a few weeks following the 1979 general election. There was already an apparent understanding that the election result and a Conservative majority created an opening for the political project both had long-desired. Steel was assertive and confident. Liberal support had risen from 6 to 14 per cent in opinion polls during the campaign, and Jenkins felt Steel was 'underlining in the nicest possible way that in any future political arrangement he wasn't to be treated as an office boy' (Jenkins, 1989: 14/6/1979: 460; see also Butler and Kavanagh, 1983). The most striking element of these talks is that they were principally concerned with the structure of the party system and the potential dynamics of any relationship between a third and fourth party. Instead of encouraging Jenkins to join his party, David Steel actively discouraged him (Torrance, 2012: 134; Brack, James and Steel, 2015) Party politics could only be fundamentally recalibrated if an electoral breakthrough was achieved through two parties working together. Unsurprisingly, this strategy provoked the ire of senior Liberals, including John Pardoe (Torrance, 2012: 134; Interview, Steel, 2016; Slade, Interview, 2016). For them, Jenkins could help bridge the Liberal credibility gap – giving the party electoral heft that, in addition to Conservative and Labour drift from the centre, gave them an electoral opening. An exclusive advancement in the Liberal Party's relative political strength was simply much less of a political priority for Steel.

Jenkins' opening public manoeuvre was his near hour long Dimbleby Speech of November 1979, 'Home Thoughts from Abroad', delivered on BBC1 after Les Dawson and the Nine O'Clock News. In it, he called for a 'radical centre' and proportional representation, while arguing for the electoral viability of political realignment on the grounds that 'if (the electorate) saw a *new grouping* with cohesion and relevant policies emerging, it might be more attracted by this new reality than by old labels' (Reproduced in Jenkins and

Lindley, 1989: 24). Privately, he described it as 'a new anti-party approach to British politics', implicitly bringing with it the recurring tropes of national unity and economic stability that had appeared in multi-party politics discourse throughout the decade (Campbell, 2015: 508). The moderate Conservative and touted Social Democrat Ian Gilmour, a key ally of Heath in the aborted talks of '74, told Jenkins 'You and Ted would be a formidable combination' though, having read a draft of Jenkins BBC lecture, 'thought much of the end too right-wing' (Jenkins, 1989: 3/11/1979, 518). Gilmour's objection, Jenkins claimed, was to the use of the phrase 'social market economy', ultimately a political idea over which David Owen, not least with his setting up of the Social Market Foundation in 1989, later took complete political ownership (Baston, 1996: 62-72).

In January 1980 Steel again saw Jenkins in confidence (Jenkins, 1989, 7/1/1980, 553). Given a new party was still a year from creation it is remarkable that Steel's plans – plainly shared and supported by Jenkins – came to fruition in their entirety. Jenkins recollected that Steel 'would like the closeness at the time of the election itself to take the form of a non-aggression pact, but of working together on policy and indeed sharing platforms etc.' (Ibid.). Equally, they shared the aim that, 'if things went well, to consider an amalgamation after the next election' (Ibid.). Steel archly noted in March 1982 that Jenkins:

> said the other night that he and I had been associated for the last three years. When someone pointed out this took him back into his EEC days, he said there was nothing wrong with a little pre-planning. (Young (Steel), 2007: 25/3/1982, 179)

January-September 1980: Discussion of political co-operation

Developing social democratic fission and splinter

Jenkins and Steel's broad-brush discussions in the first few months of 1980 meant the outline of any new party remained vague and blurred. Equally, how inclusive and impactful the party would be depended on how big a portion of the Labour Party would join. When the fact of these meetings began to be leaked, Shirley Williams and Bill Rodgers were mentioned as potential allies while, if any venture went wrong, 'the Owens and the Hattersleys' would be on hand to say 'I told you so' (Hoggart, *The Guardian*, 21/2/1980: 15). Williams personally told Jenkins in confidence that she would be unlikely to run for parliament under anything other than a Labour banner; equally, she told the Manifesto Group of Labour MPs (though she was, following the 1979 election, at this stage not in parliament) that she saw no future in any centrist grouping (Stephenson, 1983: 24). The working assumption from Steel (who felt 'it would be foolish to think more than one or two Labour MPs will come across to Roy') was that it would be a largely lone venture, with no more than a handful of MPs involved (Young (Steel), 2007: 26/2/1980, 142).

When a 'new third party' was discussed – publicly by Jenkins, as much as in newspaper speculation – it was unclear whether he was calling for a recalibrated and renamed Liberal Party, or a new party altogether. In January 1980, the Conservative Party were working on information from 'close to Roy Jenkins' that he was seeking to join the Liberals and fight the next plausibly winnable by-election as a Liberal candidate and 'build up' the party (Gow to Thatcher, 10/1/1980, MS Thatcher 2/6/2/74). It was in these early stages where problems were identified, and a joint direction of travel was resolved between Jenkins and Steel. Many close to Jenkins, including Bill Rodgers, were briefing that they doubted his resolve towards realignment – Rodgers arguing that 'he does not think Roy in the end is a big enough risk taker' (Young (Rodgers), 2007: 8/11/1979,134). But Steel was consistently encouraged by their conversations and told Hugo Young that Jenkins overt commitment to PR in public had 'made it possible to talk turkey' (Young (Steel), 2007: 26/2/1980, 142). This was an optimism Jenkins shared (Jenkins, 1989: 22/8/1980, 625; 29/11/1980, 650). In a speech to the Press Gallery in June – a speech Jenkins' memoirs couple with his Dimbleby Lecture as part of a sustained process – he acknowledged press speculation over realignment was not matched by optimism about its success. Toying with historical precedent and political nomenclature, Jenkins argued that, just as George Dangerfield had spoken of *The Strange Death of Liberal England,* commentators would soon to discussing 'the strange and rapid revival of liberal social democratic Britain' ('Jenkins Press Gallery Transcript', *The Times*, 10/6/1980: 16).

Far from a fuzzy grouping of the centre, the SDP's other three future co-leaders all started from the point that any new party would be explicitly 'democratic socialist' (Owen, Rodgers and Williams, *The Guardian*: 11*)*. Shirley Williams had warned off Jenkins from pronouncing a Liberal and Social Democratic Britain in a previous draft of his lecture (the capitals and conjunction purposefully pre-emptive) and, publicly, derided the possibility of a centrism with 'no roots, no principles, no philosophy and no values' (Rodgers, 2004: 216; Campbell, 2015: 549). David Owen's immediate reaction to Jenkins' Dimbleby speech was to reject any call for proportional representation out of hand, and to dismiss Jenkins as a 'siren voice from outside' who had 'given up the fight from within' (White, *The Guardian*: 24/11/1979: 26; Jenkins, 1991: 521). Their equivalent actions to Jenkins were a dismayed statement on Europe in June, and an open letter in *The Guardian* (Owen, Rodgers and Williams: 1/8/1980: 11) and the *Daily Mirror* (Owen, Rodgers and Williams: 1/8/1980: 5) which explicitly raised the possibility of an 'acceptable socialist alternative to a Labour government' – though one that notably reiterated a commitment to 'international socialism'. The 'Gang of Three' ignored Steel's attempts to mount a case for a coalition that evoked the 'radical tradition' (Steel, *The Guardian*, 8/8/1980: 11). His call for inter-party co-operation received a 'dusty reception', both in private (it was sent, unacknowledged, to all three before publication) and public (Rodgers, politically and personally closest to Steel, described his intervention as 'predictable and routine') (Aitken, *The Guardian*: 9/8/1980: 1; Steel, 1991). That it was signed off 'Yours fraternally' particularly rankled (Owen, 1991: 448).

The fact Williams, Owen and Rodgers had not mentioned the Liberals explicitly in their letter was not a deliberate slight. Instead, all three had not crossed the rubicon to believing a new party was necessary, let alone assessing future electoral arrangements with competitors. Crucial to the potential dynamics of any new party, and its relations with the Liberal Party, was the lack of control Jenkins had over the 'Gang of Three's' process and the mood, described by *The Guardian*'s political editor Peter Jenkins (*The Guardian*, 18/6/1980: 15), that he 'might find himself joining their party instead of trying to recruit them to his'. This distinction was crucial to Owen. He felt that if any new party was perceived to be emanating from Labour, and led by one of the 'Gang of Three', it would have a much looser association Liberal association. Owen's memoirs describe a meeting in July 1980 with David Watt, a confidant he shared with Jenkins, and his realisation Jenkins' motives were much more intertwined with the Liberal Party's than his. He notes that 'perhaps this should have worried me more this stage' (Owen, 1991: 446) but, emblematic of his wider thinking, Owen was still more preoccupied with Denis Healey and the prospect of continuing to fight from within Labour. This meant he spent little time discussing the prospect of the nature of any future agreement with the Liberals.

Throughout 1980, Jenkins' machinations were conducted largely in parallel with the internal battles of what increasingly came to be known as Labour's 'Gang of Three'. Steel and Jenkins' efforts were boosted by these increasingly public shows of discontent, but that was not their intention. Unrest among the 'Gang of Three' was caused by internal party machinations described above (p. 135) and Jim Callaghan's complicity in their acceptance. Callaghan, in Shadow Cabinet, accused Owen and Rodgers of being complicit in Jenkins' Dimbleby Lecture calling for realignment, but Denis Healey was aware there remained a disconnect between their and Jenkins' thinking (Healey,1989: 480). Steel (1989: 216) was 'getting a little impatient with their running at a different tangent', but his approach – to 'embrace them, smother them with kindness and assume a putative alliance' – was irrelevant to their actions (Steel, 1989: 218). Crewe and King (1995: 168) are clear that 'the Liberals certainly played no part in the Gang of Three's decision to leave the Labour Party'.

Owen was still, in June, firmly against a split from Labour, and believed Williams and Rodgers were too – Hugo Young's papers reinforce that there was little sustained thought about a centre party, or what its relationship would be vis-à-vis the Liberals (Young (Owen) 20/3/1980, 144-5, Young (Williams, 6/6/1980, 146-8; see also: Josephs, 1983: 18-19). The aim was to impress upon the Labour Party, particularly the unions, that 'while they could afford to lose one of the three, they could not afford to lose all three' (Young (Williams, 6/6/1980, 146-8). Certainly, in early September, Bernard Donoughue felt it 'virtually certain that Owen etc. would never go with Jenkins' (Young (Donoughue), 2007: 3/9/1980, 152). Explicitly, the Gang of Three's public letter in August wrote that 'we will not support a Centre party for it would lack roots and a coherent philosophy'; more brutally, according to Owen, such a party would 'reflect the attitudes of a London based liberalism' rather than his aim to 'particularly cut into the Labour vote in the Northern part

of the country' (Dutton, 2014: 224). The principal point of any new party, Rodgers privately told Jenkins in January 1980, would be to 'take over 90% of the Labour vote', something that could be achieved only if the party was unabashedly of the left. For Rodgers, even then willing to countenance and discuss a pact, there would be:

> a division of responsibility: Liberals fight (and win) existing Conservative seats; a fourth party fights (and wins) existing Labour seats. To me, this is not only the reality but also the motive, justification and prospect for a fourth party (Rodgers to Jenkins, 3/1/1980, B2, Rodgers Archive)

Where SDP figures stood on the nature of the party's natural constituency was indicative of how willing they were to dilute distinctive radical social democracy through further alignment with the Liberal Party. David Marquand (arguably the most prominent, and most ardent, Jenkinsite) argued privately with Rodgers that 'I would be very surprised indeed if we don't end up getting more ex-Conservative votes than ex-Labour ones' (Marquand to Rodgers, 6/8/1981, Box 2, Rodgers Archive), while Jenkins (1991: 539) was certain that his best chance of by-election success in the SDP's early stages would be in a seat where Conservative, rather than Labour, voters were predominant.

Simon Hoggart argued that Jenkins' political failure, and a likely fault of any future manoeuvrings, was that 'he tends to imagine that everyone sees the issues in the same mighty global, economic, historical and social terms as he does' (*The Guardian*, 21/2/1980: 15). This criticism was fair, but overlooked his capacity for the political organisation involved in forming and organising an effective and active political faction, one that kept up, albeit more sporadically than Jenkins and Steel communicated themselves, discussions and dialogue with senior Liberals. The consolidation of a Jenkinsite clique that would form a key slab of any future party was a clear priority for Jenkins throughout 1980, and they sustained a degree of momentum in the idea of cross-party fertilisation in a period where, according to Stevenson (1983), 'it looked increasingly like the Jenkins initiative might come to nothing, or at least very little'. A group that looked unpromising in 1979 – Jenkins had only been able to name 3 MPs who would support him – was growing, and becoming more vocal (Horam, 2016, Interview; Josephs, 1983: 11; Rodgers, 2004: 216).

Liberal Intra-Party Discussion of Co-Operation

Although Steel's discussions with Jenkins were determinedly based on a rough political vision rather than the minutiae of party management, the nuts and bolts of any elite-level party reformulation were always going to be problematic within the Liberal Party. A Westminster focus on defection and electoral surges, driven by the popularity and name-recognition of individual politicians, could be the final nail in the coffin for community politics as the dominating strategic purpose for the Liberal Party. Its adherents, largely

dominant within the vocal Association of Liberal Councillors, would be fundamentally weaker as a result. All this added up to the fundamental complaint that Liberals had been sailing in Jenkins' choppy surrounding sea for some time already; Jo Grimond, far from welcoming the flighty rhetoric of Jenkins, suggested that 'if (he) agrees, let him come down into the battle. Let him shove with the rest of us' (Barberis, 2005: 185).

In the first few months of 1980 the content of discussions was kept within Steel's inner circle, and Alan Beith (2008: 132-3), Steel's Chief Whip, recalled that Steel 'played his cards very close to his chest' and 'most of us knew nothing about the conversations David had had with Roy Jenkins'. Speculation about a new party was incendiary for many Liberals. But Steel, nevertheless, began the work of assuaging Liberal. Roy Jenkins' recorded Steel, in May 1980, having to attend 'a Liberal gathering at Worcester in May which would be less favourable that the Assembly in some way or other' (Jenkins, 1989: 13/4/1980, 547). This was the Liberal Party Council meeting in May, where a motion on party strategy ('of such length and tortuousness that it might almost have been modelled on the River Severn') was debated (*The Guardian*, 17/5/1980: 8). Steel's belief that the Council – with its representation of key members of the ALC – would be challenging was well founded. Michael Steed, who had recently stepped down as Party President, recalled a 'dominant feeling' of 'cautious willingness', and Steel secured the backing of the party to conduct negotiations with Jenkins (Torrance, 2012: 140). However, leaks from the meeting described reticence due to the historical Liberal record of deals and coalitions: the party was 'being asked to commit suicide again' (Johnson: *The Guardian*, 19/5/1980: 3). The sanctioning of talks was coupled with a statement of the party's independence and prospects for success, and a statement that 'Liberals must contest elections at all levels, at every opportunity without any electoral pacts or alliances with non-Liberals' (Ibid.).

Senior Liberal figures who would, by early 1981, strongly support a comprehensive pact with the SDP – such as the party Chairman Roger Pincham, and former chairman and Pardoe's campaign manager for his 1976 leadership bid, Tim Beaumont – denounced talks, and it was felt that 'Steel has a long way to go to carry the bulk of his party with him' (Jordan, *The Guardian* 8/3/1980: 4; Stephenson, 1983: 126). But the lack of any specific new party or political vehicle made the fertilisation of discussion easier. While quiet over the summer of 1980, by the Liberal's annual conference in Blackpool in September 1980 speculation had heightened. Simon Hoggart (*The Guardian*, 12/9/1980: 13) described Liberals as finding themselves 'in the position of a spiritualist investigator trying to shake hands with the ectoplasmic forms pouring from Mr Jenkins' mouth'. Bypassing policy specifics to avoid intractable policy conflicts was a strategy that persisted throughout the formation of the Alliance, so much so that Roy Jenkins wished to vaccinate his new party to pre-empt the onset of 'manifestoitis' (LBC/IRN, 'Weekend World - Roy Jenkins interview', 29/11/1981). This continued vagueness about what they were fighting against did not stop discord about the possibility of an electoral pact with any new force. Michael Meadowcroft, chairing Marquand's discussion, said he felt 'inter-party arrangements must follow elections rather than proceeding them.

Otherwise we fudge principles and policies, and undermine political discussion and debate' (Hoggart, *The Guardian*, 10/9/1980: 22; Interview, Meadowcroft, 2016). Cyril Smith evoked his opposition to the Lib-Lab Pact in dismissing the idea of 'housing socialist dissidents' (Emery, *The Times*, 10/9/1980: 2). According to Stephenson (1983: 28), senior Liberals' accepted warm words about any new party but felt it would be 'politically suicidal for him to go further and suggest pre-electoral understandings'.

But while the reported mood of the 1980 conference was undeniably against a pre-electoral coalition with social democrats, it passed without any policy statement being debated or adopted to restrict Steel. Steel continued to prepare the ground for the future party, increasingly aware local constituency parties would begin selecting general election candidates that could impede the workings of any electoral pact. Reports 'from the grassroots' in strong Liberal constituencies continued to paint a broadly reluctant picture among activists 'not much interested in pacts with social democrats' (Bradley, *The Times*, 9/2/1981: 4). Steel attempted to stoke up the benefits of realignment and the possibility his party, working with allies, could create a 'blocking third' of seats in the Commons (Langdon, *The Guardian*, 3/12/1980: 3). And within the elite of his party, Steel's project was gaining increasing levels of traction. In part, one journalist felt, this was due to an ability to 'corner the right person at the right moment for a chat and a drink'; Shirley Williams noted that Steel 'used lunches with influential members of his own party very effectively' (Williams, 2009: 240; Slade, 2016, Interview). A political party broadcast, in which Steel claimed that if the Liberals did not embrace potential allies 'the voters of this country will never forgive us', was a 'plea to party supporters … that reflects the anxiety of many Liberal leaders about the potential backlash from the party's rank-and-file' (Aitken, *The Guardian,* 29/1/1981: 1).

Steel continued to privately foster closer relations with social democrats within the Labour Party, using whatever influence he had to stimulate action by 'chivvying' MPs into action (Torrance, 2012: 139-143). Crewe and King (1995: 57-8) described John Horam (who had spoken since 1979 of the need for a new party) and Tom Ellis as two Labour MPs who considered the possibility of directly defecting to the Liberal Party, and both by the end of 1980 were circulating memos to Labour MPs memos calling for a social democratic party (Stephenson, 1983; Horam, Interview, 2016). David Marquand also moved to join the Liberals, but Steel rejected his offer on the grounds he should work to encourage the formation of the SDP. Steel's memoirs recall a meeting with Robert Maclennan, while he also met with Neville Sandelson (who was considering defection to the Conservatives) and Richard Crawshaw – though these could all be categorised as 'Jenkinsites' (Gow Memorandum 10/8/1980, MS Thatcher 2/6/2/74); Steel, 1989: 167). Steel produced a policy paper 'a ten point plan for economic recovery' – a performative act, combined with a party broadcast, with the purpose of drawing out comment and approval in public from social democrats (Steel, 1989: 222). It was sent to 400 MPs but, not coincidently, the coordinated praise it received – it was described as 'excellent', 'sensible', 'positive' and 'down to earth' – came from those who had already liaised with Steel (Brown*, The Guardian,* 13 1/1981: 1).

October-December 1980: Political co-operation and the creation of the SDP

This remained a process largely distinct and tangential from the 'Gang of Three', despite a gradual shift from an internal Labour campaign to the potential and plausibility of a new battle. By the end of 1980 the need for a new party had crystallised, yet thoughts of its electoral strategy remained unresolved. The Labour conference in late September passed votes to withdraw from the EEC and in favour of unilateral disarmament. Williams had promised resignation if EEC withdrawal became Labour policy, while Owen had staked his battle against the Bennite wing on the totemic issue of nuclear weapons, and lost. The election of Michael Foot, and Denis Healey's defeat, made exit from the party significantly easier to contemplate (Owen, 1991: 458; Rodgers, 2000: 200-4). The continuing lack of explicit discussion about the Liberal Party was remarkable, particularly given speculation about an inter-party agreement had dominated coverage of the Liberal's annual conference in September. This was, again, due to a need for internal cohesion as the splinter from Labour took place. Rodgers feared that Williams would not leave Labour; doubts that were reciprocated, as both knew of each other's attachment to the party (Rodgers, 2000: 204; Peel, 2009: 146). Rodgers, with his deep roots in the Labour movement, ran for the Labour Shadow Cabinet (Owen did not) and was being constantly positioned by Labour moderates to stay in the party.

Yet Owen was, by the end of 1980, both firmly in favour of a new party and against an agreement, and was acutely aware that the strategic path of a future party would be directed by its leader. On 29 November, Owen visited Jenkins' home in Oxfordshire and, Jenkins' diaries note, reiterated that 'it was in his (Owen's) view to be not a centre party but a 'Socialist International' party, and I was joining them rather than vice versa' (Jenkins, 1989: 29/11/1980, 650). While Jenkins' account does not mention it, Owen is adamant that the pair agreed any eventual leader of the party would be chosen by one member one vote – an outcome Owen felt would guarantee Shirley Williams' election as leader and, with it, a distinct non-Liberal direction (Crewe and King, 1995: 152). Jenkins remained though, fairly sure that he would get 'much more the sort of party I want than the sort of ex-Labour Party that for the moment he wants. But we will see.' (Jenkins, 1989: 29/11/1980, 650). There is a clear distinction in the actions of Owen and Jenkins, who had already a clear conception of what co-operation involved and viewed it as a key strategic question and Williams and Rodgers, who had not thought of, or prioritised, the electoral implications to anywhere near the same degree.

A key meeting took place on 10 December 1980 in which Rodgers, Owen, Williams and six MPs received a presentation by Ivor Crewe and Anthony King on the electoral prospects for a new social democratic party. Throughout, the two academics 'took it for granted that any new party would have to form some kind of alliance with the Liberals' (Crewe and King, 1995: 85-6). Rodgers take home point from the meeting was that a new party could only prosper in conjunction with 'an electoral alliance with the Liberals, because

there was simply not enough room on the centre ground for two parties in competition' (Rodgers, 2000: 213). In striking contrast, Owen felt it was a shame that Jenkins could not be there, for 'the message was that a social democratic party would have a significant impact' and 'it became ever clearer what sort of party we needed, and a strong consensus emerged' (Owen, 1991: 520). Owen did not do enough in this period to truly cement a genuinely detached attitude to the Liberal Party within the SDP's DNA, and away from the centrist conception of the party Jenkins had advocated for over a year. Denis Healey held the feeling that Owen 'should have played it differently – he ought to have organised the trade unionists' (Radice, 2004: 43). Certainly, Rodgers (2000: 201) 'cannot recall discussing relations with the Liberals during the stormy, closing months of 1980'.

As with much discussion of the SDP-Liberal relationship, the two perspectives gleaned from Crewe and King's presentation were compatible in the abstract, but would lead to later tensions when decisions were made about electoral strategy. On key issues that quickly came into play as soon as the new party was secured – joint candidate selection, policy co-operation, and dual party membership – Owen was then effectively running at political cross-purposes to the growing momentum for political co-operation. Owen felt the question of leadership, and with it the strategic direction of the new party, had been adequately resolved. But as breakaway became almost certain, Jenkins asserted his control over the project. Jenkins, or a member of his inner circle, leaked news of a meeting of the four on 18 January that led to an *Observer* front page story that 'Mr. Roy Jenkins has asked Mrs. Shirley Williams, Dr. David Owen and Mr. William Rodgers to a summer meeting at his Oxfordshire home'. This was construed by Williams (2009: 281-2) as part of a concerted attempt to create the impression Jenkins was the driver of the process.

Jenkins underestimated the rancour this would cause; certainly, when two subsequent meetings did take place and policy discussed, agreement was quickly reached on a statement that bore far greater resemblance to the type of party Williams envisaged than the one Jenkins imagined. Politically, the key passage of the statement that created the 'Council for Social Democracy', which quickly became known as the 'Limehouse Declaration', was the phrase 'we do not believe in the politics of an inert centre purely representing the lowest common denominator between two extremes'. Owen (1991: 481) subsequently remarked that 'looking back on the Declaration we signed that day it is hard not to be struck by how orientated it was to the Labour Party'. Equally striking, and interlinked, was the fact that the statement gave no hint that the party they were about to create would be prepared or willing to interlock comprehensively with another, let alone delve into pre-empting what that might involve in practice.

January-June 1981: The Königswinter conference and 'A Fresh Start for Britain'

At least for Williams and Rodgers, questions about SDP-Liberal co-operation were left unaddressed because they had genuinely not entered their radar. Between leaving Labour, and forming the SDP, they

simply had other things on their mind. This lack of discussion was notable when, in the press conference announcing the pact, a journalist asked what the distribution of seats between the Liberal and SDP parties might look like. Rodgers answered there would be a roughly 50:50 split in candidatures between the parties. Owen was furious Rodgers had seceded so much ground (Owen, 1991: 506; Rodgers, 2000: 212; Thomas, 2016, Interview). Owen and his allies claim an agreement had been staked out beforehand; Rodgers was nonplussed, and views this claim in Owen's memoirs that a co-operation strategy had been agreed 'one of the more tendentious passages – and there are several' (Rodgers, 2000: 212). He argued his impromptu answer would have been much more generous to the Liberals (he thought he might have said the SDP would fight something like 60 seats) had press enthusiasm, and preliminary polls, not been quite so favourable to the new party (Rodgers, 1998: 9).

Initial levels of support for co-operation with the Liberal Party among the 'Gang of Three' can be overplayed: all three still saw, at the SDP's creation, the party's aims as independent to that of Liberals. A paper by Rodgers in March 1981 reiterated that 'our aim is to win as many seats in the House of Commons as we can; and to win more seats than the Liberals' (Rodgers Memorandum, Organisation Committee: Fighting Seats at the General Election, 6/4/1981, Box 20, Rodgers Archive). Rodgers, too, was firmly of the belief that the SDP-Liberal 'Alliance' would only be electorally effective if discord between the parties was minimalized (Rodgers to Thomas 21/9/1981, Box 4, Rodgers Archive). Key to the development of his position was intra-party power politics within the 'Gang of Four'. Rodgers was a longstanding ally of Jenkins, and the growing intensity of their political relationship correlated with an increasing belief in the Alliance, not least his personal championing of the Alliance nomenclature to reinforce the impression of unity beyond a transactional coalition (Jenkins, 1991: 567; Rodgers to Thomas, 21/9/1981, Box 4, Rodgers Archive).

The period between the SDP's creation and June 1981 was significant, in that the agreement between the parties crossed the rubicon from furtive negotiation to reality. This was both in electoral and policy terms: Roy Jenkins was chosen to fight the first available by-election in Warrington under a joint banner, and the two parties agreed a shared policy document. Yet this period, within the leadership of the SDP, was also characterised by a fear of strategic drift. Owen believed this was Jenkins intention, allowing the party to be easily moulded to suit an agenda of ramped up co-operation. It was, also, something he attempted to pre-empt – three days before the party's launch he called for a meeting as he worried 'how little time we four have for what I would call strategic thinking' Owen to Jenkins, Rodgers, Williams, 23/3/1981, Box 2, Rodgers Archive). Meanwhile, Jenkins was publicly calling for a 'Partnership of Principle' – a phrase that would become well-worn within the Alliance for years to come – five days after the launch of the party (*The Times*, 1/4/1981: 2).

Owen had led the process of co-operation between dissident social democrats and Liberals in the Commons with some success, but it sharpened his antipathy to close electoral relations. Owen was clearly hopeful that

a constructive but detached approach in parliament would set a precedent for wider political activity. A weekly 'consultative committee' was conducted solely between Steel, Owen and the whip operations, but Owen was keen to stress the arrangement was transactional and that the Liberals 'could never be relied upon to maintain confidences, and members of the Committee were asked to bear this very much in mind in any discussions with them' (Steering Committee, 2/3/1981, S5(81), Box 2, SDP Archives). Owen was anxious the two parties be treated independently and, in June, wrote to the Speaker to point out that 'our parties stem from different traditions and have their own identities' and that, while he was 'neither a historian nor a constitutional lawyer … what has made parliament, and the House of Commons in particular, such a great institution has been its ability to adapt to changed political circumstances' (Owen to Speaker, 29/6/1981, File (b) CSD/SDP Parliamentary Committee, Box 14, SDP Archives).

Owen was fearful that the practical effect of making ad hoc decisions about the party's relationship would mean a drift towards unification, the result of institutional assumptions and Jenkins' tactical interests. Jenkins' (1991: 535) memoirs note that, following the Limehouse Declaration, 'our course became more the product of the strong currents of public opinion running in the open sea than of over-prolonged harbour conferences'. Opinion polling provided momentum for the belief a pact would be advantageous, but initial polling also showed the electoral strength of any Alliance would be predominantly provided by the *SDP*. During a lunch with Rupert Murdoch six days before their official launch, Hugo Young noted that 'they keep saying they are the major partner: that no one is joining the Liberals now, all are joining them' and that 'Shirley and David insist they are not centre. They are democratic socialists. But there is clearly tension here' (Young (Murdoch Lunch for Gang of Four), 2007: 20/3/1981, 161-2). Inter-party politics was driving discussion of the party's purpose, and there was no clear consensus. So, for Jenkins and Steel's project to be a success, there was still a need for some strategic planning – if not Jenkins' harbour conference, some movement at the helm to precipitate and entrench co-operation. Jenkins arranged a dinner on 5 March between Steel and Williams with 'the mood of a nervous duenna who hoped that the young people would get on well together' (Jenkins, 1991: 545).

In early April (before the '5 to 6 hour' meeting Owen had arranged for Sunday 12 April to discuss strategy) Rodgers and Williams went to the Königswinter Anglo-German conference in the Rhine Valley (Owen to Rodgers, 20/3/1981, Box 3 Rodgers, SDP Archives). Among other attendees were David Steel and Richard Holme, then Liberal Party President. It was there that Williams and Rodgers, with Jenkins and Owen absent, agreed the 'Königswinter compact' – which committed the SDP to sharing candidates in any oncoming by-elections, a document outlining broad agreement on principles, and a Joint Policy Commissions on major issues. The event was given an air of impromptu inter-party diplomacy by the fact it was worked out on a paper napkin, then written up on 'a lined piece of greenish paper that looked like it had been ripped off an office ledger' (Holme, 1998: 12). John Campbell (2015: 572) argues that Steel had 'played them very skilfully', yet both had been aware that Steel had pre-empted the opportunity – Rodgers (1998: 10) noting

that 'with typical sense of occasion, he had even tried to hire a motor launch to ensure publicity for the event'. But this was a genuine negotiation, and Holme was surprised the consensus was reached so easily.

Jenkins (1991: 545) made an active decision to be at one remove from this process because he 'wanted the links between the two parties to become more organic and less dependent upon me as the sole hinge'. Rodgers (2000: 219) 'returned to London well pleased, believing our agreement was totally consistent with previous understandings'; Williams (2009: 284) left the conference 'feeling pleased with what we had accomplished'. It showed a clear and fast-developing disconnect between Owen (1991: 505), who believed that Königswinter meant 'a trend had been set in motion that was impossible to reverse', and Rodgers (2000: 219), who felt the agreement was 'totally consistent with what we had said at the launch of the party'. Williams and Rodgers clearly did not anticipate the levels of objection within the SDP – most vociferously within the party's Steering Committee – that did take place. All thirteen dissident Labour MPs that left Labour in March 1981 (along with a sole Conservative, Chris Brockelbank-Fowler) and the twenty-seven that joined by the time seat negotiations with the Liberal Party were completed in October 1982, were sure of what they were escaping. It is fair to say that there was no fixed idea on what, exactly, they were joining. None had, unsurprisingly, been part of the vocal opposition, led by the Tribune Group, to the Lib-Lab Pact. They were far more likely than the average Labour MP, if they had been in parliament, to vote in favour of Proportional Representation for the European Parliament, a bill inherently intertwined with the pact's continuation.[22] Others such as Tom McNally and, among the Gang of Four, Bill Rodgers had aided and supported the process of the Lib-Lab Pact's creation, and saw it as a successful experiment in multi-party politics. But the makeshift nature of the party at this stage meant there had been little discussion on co-operation, beyond that of Jenkins and his inner circle. On 6 April, as the conference in the Rhine Valley was taking place, Mike Thomas was circulating a memorandum among the SDP parliamentary party urging a slow timetable for any co-operation with the Liberal party (reproduced in Owen, 1991: 508; Thomas, Interview, 2016).

The joint meeting of the Steering and Parliamentary group called following Königswinter was rancorous (Aitken, *The Guardian*, 8/4/1981: 22). Roughly half the SDP MPs opposed the agreement, due to the perceived negative effect it would have on the SDP's electoral popularity and membership growth (Joint Meeting of Parliamentary Committee and Steering Committee, 7/4/1981, Box 1 S12(81), SDP Archive). In discussion Shirley Williams particularly noted a regional divide, with those representing in Northern working class constituencies viewing the identity of the Liberal Party as problematic. Ian Wrigglesworth argued there was considerably stronger support for the SDP than the Liberals, and that 'the public perceived the Liberals loaded down with all their historical baggage as representing failure'. Robert Maclennan, one of the first MPs to support Jenkins in creating the SDP, argued that 'institutional co-operation' would create problems of 'image perception' at this stage. Edward Lyons 'felt we were in bed with the Liberals far too

[22] Only two of the eventual 27 defecting Labour MPs had voted against the legislation

early and this could damage recruitment'. Mike Thomas was concerned about 'public perceptions', reiterated the 'general perception of the Liberals as weak, associated with failure' and felt 'there should be no statement for some months and electoral arrangements should not be discussed for 12-18 months'. *The Times* reported that some of the former Labour MPs, after reflecting on past fights with Liberals, 'wish to go slower, or, as one source put it, 'up the price" (*The Times,* 8/4/1981: 2). There was also support for the actions of Williams and Rodgers: Richard Crawshaw expressed a belief that 'working together in alliance with the Liberals was what characterised recent developments' and was 'how the sterile pattern of politics would be altered'; Tom Ellis, David Marquand, Tom Bradley and Neville Sanderson all focused on their belief an agreement should be made to encourage David Steel, and that any national agreement would have a positive knock-on effect on assuaging troublesome Liberal local associations. (Joint Meeting of Parliamentary Committee and Steering Committee, 7/4/1981, Box 1 S12(81), SDP Archive).

The Gang of Four took on board the feelings of this meeting, and its reporting was a short-term setback for the concept of the alliance that, in Owen's view, allowed for a few weeks of productive organisational capacity as talks were put on hold. For Owen, countering the mounting momentum of a comprehensive pact meant supporting decisions that undermined the logic of inevitable closer inter-party arrangements. These discussions took place on the party's constitution, including the banning of joint-membership of the two parties. Discussions also began about the way in which the leader would be selected – Owen's (ultimately faulty) assumption being that Jenkins would suffer, rather than benefit, among the party's wider membership from being intrinsically associated with the pact (Crewe and King, 1995: 158-60). Williams (2009: 286-7) felt the meetings following Königswinter signalled that 'the days of the Gang of Four acting autonomously were over'. Yet, at least in retrospect, it appeared to have little long-term effect. Rodgers called the meeting, ostensibly, to resolve the level of disagreement and agree a strategy on electoral strategy. No vote was taken by the parliamentary party and, when it was agreed and slightly amended by the SDP Steering Committee less than a month later, it was presented as a *fait accompli:* Owen made pointed mention that already 'in all public speaking the leadership of the SDP was recognising some form of electoral arrangement with the Liberals for the next general election' (Steering Committee Minutes, 5/5/1981, S15(81), Box 1, SDP Archives).

David Steel's main wish was for an agreement to put to his party's annual conference in September. This was achieved by mid-June, with negotiations that first met on 19 May, a week after widespread local elections and close to 400 gains for the Liberal Party. What these negotiations ultimately produced was a joint policy document, *A Fresh Start for Britain.* The SDP's party committees held little sway over the drafting of the joint policy statement. David Marquand – the only member of the Steering or Parliamentary Committee, after Königswinter, to explicitly refer to the importance of Steel's conference commitment in key committee meetings – was the SDP key drafter of the agreement, working in conjunction with the Liberal Richard Holme. Importantly it was Williams who had led these negotiations and, in pictures splashed across

newspaper front pages, she and Steel were compared to 'superannuated student lovers' (Stephenson, 1983: 51). In content and policy terms, Williams again claimed to be surprised by the level of agreement. The historian Mark Peel (2009: 163) argued it was a step away from social democratic principles but it is hard to say, exactly, one policy area specifically could be said to run counter to the Limehouse Declaration or the more substantial 'Twelve Tasks for Social Democrats' which was announced at the party's launch and, too, placed 'a reformed and liberated electoral system' at the top its list of policy priorities (12 points for Social Democrats, 9/3/1981, S6(81) SDP Archive).

It is notable that the period from the SDP's creation to *A Fresh Start for Britain* was one of relative dissent in SDP, rather than Liberal, ranks. The Liberal negotiation team – David Steel, Stephen Ross MP, Richard Holme and Roger Pincham – were all supporters of a pact, and there was no clear dissent about the formation of this group (LPA 1/10, NEC Minutes 15/5/1981). Indeed, the fact of the negotiations was reported on by Steel in an appearance at the party's National Executive Committee, rather than any consultation on whether they should have taken place. A *Times* (17/6/1981: 15) editorial recorded that 'Mr Steel's handling of his party at national level has been consistently impressive; the tide is running strongly in favour of an alliance among Liberals these days'. In the first test of Liberal support, at the Scottish Liberal Party conference, the pact was strongly endorsed by delegates (*The Guardian*, 30/3/1981: 3). In part, this chimes with a general conception of the Liberal Party: problems that did arise were localised and election centred, principally around the party's constitution and the autonomy of local associations to select candidates. Terms of agreement on policy priorities – electoral reform, devolution, co-partnership in industry, and environmental policy – were not difficult to achieve.

Instantly gratifying local election results helped Steel's cause, as did some positive results for independent social democrats against Liberals that reaffirmed the possibility both that an agreement would be additive electorally, but the electoral landscape could be subtractive for Liberals without one. There was subsequent public agreement between the SDP's Bill Rodgers and the Liberal David Penhaligon that the two parties needed to 'get together, shake up and make a deal' as soon as feasible (ITV Local Elections, 7/5/1981). Consistently, around 40% of those polled in the period from mid-May to mid-June said they would back a joint-party initiative, against 30% for the two parties separately *(The Economist* 23/5/1981: 35). Polls were also showing, as Steel reluctantly noted in a meeting of the Liberal Party Council prior to negotiations commencing, that SDP support was receding slightly and had dropped below that of the Liberal party. But Steel continued to emphasise the compatibility of the parties' support geographically, and the image benefits of co-operation. The key danger for Steel was that his party would begin to be more demanding: *The Economist* (5/6/1981: 30) described the Liberals 'becoming uppish in its approach to the prospective nuptials', and foresaw Liberal associations in more winnable areas in south and west England closing ranks.

June-September 1981: from Warrington to Llandudno, via Croydon

The conventional narrative of most of the key elite actors places the first by-election fought in tandem, Roy Jenkins' narrow defeat in Warrington in July 1981, at the centre of the Alliance's creation. Jenkins (1991: 543) argued that 'the Alliance was made upon the grounds of Warrington', and Steel's aide Jeremy Josephs (1983: 37) argues it acted as 'the greatest catalyst for the subsequent formation of the Liberal-SDP Alliance'. To take this literally would be to dilute the importance of earlier, formative steps – confusing the public blossoming of the pact with the roots dug by Steel and Jenkins, and the branches of the Königswinter process and the policy agreement. The assumption among the Gang of Four was that either Jenkins, Williams or possibly David Marquand would fight the seat as a joint SDP-Liberal candidate (Campbell, 2015: 574; Crewe and King, 1995: 150-2). *The Guardian's* Simon Hoggart had forecasted acute Liberal anger 16 months earlier, if they saw a by-election 'handed over to a carpetbagger with a conscience like Mr Jenkins' (a view shared by David Marquand (Young (Marquand), 2007: 3/6/1980, 145)). Campaigning in tandem certainly advanced inter-party relations. But that co-operation took place at all is a useful snapshot of the extent to which Jenkins had already ingratiated himself with the Liberal membership.

Writing to Steel, the Liberal's regional chair explained her enthusiasm for Jenkins as born from his vigour and persuasiveness 'which cut a swathe through any Liberal doubts' (Josephs, 1983: 54). It perhaps helped that the seat was electorally problematic for the burgeoning alliance: there was a small Liberal vote in 1979, and it was solid Labour territory. Steel had already managed to prime his party to accede to a prominent Social Democrat, far from a given for a party whose by-election triumphs had so often been a key driver of their electoral fortunes. Before the SDP's launch Jenkins had privately considered it 'silly' for either he or Shirley Williams to run in a seat that would be subsequently lost at a future general election, while Rodgers had said they would not feel the need to contest every possible by-election ((Young (Murdoch Lunch for Gang of Four), 2007: 20/3/1981, 161-2). The reversal of this stance, by the leadership and the SDP Steering Committee, did have an impact on inter-party relations. David Owen points to several crossroads where his party took the wrong route to stronger Liberal integration. But his counter-factual analysis sees the fact that Shirley Williams rejected the chance to run as crucial: Owen feels Williams would have won the by-election through a 'predominantly SDP campaign', and the party would subsequently have been able to 'negotiate a far better seat deal with the Liberals than the miserable one we ended up with' (Owen, 1991: 520).

This reading is predicated on two false beliefs. Firstly, that Williams did not already feel a strong political commitment to an alliance. And, secondly, that the by-election could have been fought with noticeably less emphasis on co-operation. The formation and entrenchment of pre-existing co-operation pre-Warrington may have been underplayed, but the fighting of the Warrington by-election certainly boosted the development of relations between the parties. Retrospective and contemporary accounts describe the campaign starting cold, but enlivening as relations between the two parties on the ground gathered momentum (*The Times*, 6/7/1981: 2; Williams, 2008: 288-9). Remaining scepticism among Liberal MPs

softened: Jo Grimond went to Warrington uncertain but 'found himself quite impressed', with Jenkins believing it was the first time he could envisage the Alliance as something akin to his conception of realignment (Barberis, 2005: 186; Jenkins, 1991: 543). Clement Freud's suggestion that the Liberal central by-election fund should be spent in Warrington had been rebuffed prior to the campaign; in future by-election organisation became increasingly integrated, and former Liberal MP Paul Tyler had moved into SDP headquarters by the campaign's conclusion (Interview, 2016, Tyler; Steel, *The Times*, 1/7/1981: 18). Jenkins reinforced this sentiment, arguing that 'the reality is even more important than any document, and it has been sealed in practice here', while Steel made overt note of the fact Jenkins had used the pronoun 'we' in his post-count speech to demonstrate the level of unity between the two parties (Johnson, *The Guardian*, 18/7/1981: 1). Polls the week before the vote had seen Jenkins trail the Labour candidate by 30%, with support coming mainly from disgruntled Conservatives (*The Economist,* 11/7/1981: 22). In the end, the SDP cut into both parties almost equally, interpreted as showing that the SDP could thrive where Liberal support had long been stagnant.

Given the poll was a boost during a period of relative decline in the SDP's polling numbers, vis-à-vis the Liberals, it was noticeable that the SDP's leadership made no effort to gain bargaining advantage from the widely-held perception that only SDP candidates would be able to achieve such a result. Indeed Williams, Rodgers and Jenkins sought to aid Steel in his efforts to dampen intra-party difficulties in the run-up to the vote on the pact that was to be held at the Liberal's conference in Llandudno, in September 1981. Though there was a strong belief among both the SDP and Liberal membership that the next by-election to be fought, Croydon North West, should be fought by Shirley Williams, Steel found it impossible to get the prospective Liberal candidate, William Pitt, to stand down. (Steel, Interview, 2016; Tyler, Interview, 2016). This defeat illustrated Steel's long-term success, and the extent intra-party battles had been driven principally by an ability to cajole and persuade his party. A joint committee to select a candidate was mooted, and was highly likely to support Williams' candidacy, but Owen leaned on the local SDP party to reject the idea as damaging the SDP's independence (Owen,1991: 522-23). To Owen's frustration, the SDP and the Steering Committee – due to 'a change in the party's perception' he felt resulting from Warrington – decided to support the Liberal candidate (Ibid.: 523).

The SDP's Steering Committee had, in early May, endorsed their leadership attending a fringe meeting of the Liberal conference, though Owen's language in objecting during the meeting gave off 'a whiff of caucus politics' that Jenkins found 'repugnant' (Steering Committee Minutes, 27/5/81, S18(81), Box 1, SDP Archives; Jenkins, 1991: 58). Jenkins claims not to have expected or co-ordinated the raptuous reception that he and Williams received, or the front page splash on almost all the broadsheet newspapers the next day. Owen feels his decision not to attend had been 'subconscious', arising from a fear of being 'sucked into an Alliance with a big a rather than a small 'a'' (Owen, 1991: 525). What was billed as a fringe event instead dominated the conference. Certainly, while a victory for Steel had been expected, the levels of enthusiasm

caught pundits by surprise –surveys by Liberal organisers found the debate around the Alliance was by far the most popular, and well received, event of the conference ('1981 Conference Survey', LPA 8/50). Steel, Jenkins and Williams were joined by Jo Grimond, who spoke passionately without notes, and implored the party to 'seize the chance' rather than getting 'bogged down in the niceties of innumerable policies' (Barberis, 2005: 182; Jenkins, 1991: 546-7). The endorsement of the pact was overwhelming – of 1600 delegates, just 112 voted against (though multiple historical records note the result as 1600 to 112, forgetting the number of senior Liberals who were against the pact, but abstained) (Meadowcroft, 2016, Interview). In case the rebellious nature of the Liberal Assembly, and the scale of Steel's achievement, was in danger of being forgotten, the party membership defeated the leadership on the issue of nuclear weapons. This policy rebellion, foreshadowing the key rupture within the Liberal-SDP Alliance, was led on the floor of the conference by the Liberal Party's prospective candidate for Yeovil, Paddy Ashdown.

Conclusions

Institutional Constraints

The SDP is remembered as a failure, a parable for the dangers of trying to effect party system change in Britain. Any defence made by its key figures principally rests on the idea it acted as a progenitor for New Labour, rather than any direct effect on the party system (Williams, 1995; Bush, 2016). Crewe and King (1995: 556) argued that:

> It is a measure of the British party system's resilience, and of the power of the first past the post electoral system that the most serious challenge to the system in half a century ended in such failure, making no discernible impact.

But revisiting and tracing the SDP-Liberal alliance during its electoral peak, when co-operation was in its formative period, is instructive. In isolation, this flashpoint of co-operation between the parties could be an indication of the party system's fragility rather than its durability. The electoral underpinnings of the two-party system no longer felt secure. And dealignment was thought to have created plausible conditions for realignment: while intra-party discontent within Labour may have caused the splinter, an electorate more volatile and with weaker allegiance to the two main parties made it possible (Crewe, 1982; Denver, 1983). It was not seen as self-evident that the mechanisms of first past the post could not be overridden. Evidence of electoral demand, principally through opinion polling, was a key factor in driving those within the Labour Party to consider splintering (Interview, Cartwright, 2016; Interview, Thomas, 2016). What was dubbed the 'Heineken Effect' (Owen, 1991: 536) – where the Alliance parties, through collaboration, could reach voters other parties could not reach – was borne out by polls repeatedly showing that support for the Liberal-SDP Alliance was consistently higher, by one or two percentage points, than the combined support for the Liberals and SDP (Crewe, 1982). The promise of these figures was seen at the time to 'underlie the

decision of the Liberal council and the SDP steering committee to suppress some of their doubts about the negotiations' (Watt, *The Times*, 22/51981: 7). By-election successes were therefore seen as key, providing evidence of support that fuelled the idea of a clear demand for party system change. The pact between the two parties, at least in these formative months, could therefore be described as 'super additive' (Kaminski, 2001) – not only providing a crutch to get around problems of demography and geography, but also mutually enhancing the overall popularity of both parties through the act of coalition.

Shirley Williams' brave argument to Rupert Murdoch when pitching for his support was that 'younger people, in and out, see the need for change: they are thirsting for an end to the two-party system' (Young (Murdoch Lunch for Gang of Four), 2007: 20/3/1981, 161-2). If this was ultimately an overstated enthusiasm, it was something the Conservatives feared. Michael Ancram, then a Conservative MP, argued the SDP was caused by 'a resentment of the electorate at the two party slanging match'. Conservatives needed to be careful a 'belief in the two party system' blinded them to the real threat of tactical voting that could entrench the SDP-Liberal Alliance (Ancram: Memorandum, 19/81/1981, MS Thatcher 2/6/2/150). Thatcher and her advisors, dismissive of the Lib-Lab Pact's potential to redefine party politics, demanded a strategy on the SDP. A new party was seen as the cumulative result of the fact that, 'over the past decade there have been unmistakeable signs of dissatisfaction, as shown by protest votes, abstentions and weakening party allegiances'.

However, this was both a cause for optimism and a key weakness. Evidence showed the Alliance's principal weakness was the low partisanship of their voters, and their dependence upon the weaknesses of the two larger parties: the surge for the two parties was defined by the fortunes of their larger competitors. Thatcher's advisor Alfred Sherman argued 'the deep differences between them could be made to turn the plus sign into a minus one', and that the SDP needed to be flushed out: they could not be neither left nor right (Sherman, The SDP-Liberal Alliance: towards a strategy', 13/11/1981, Thatcher MSS 2/6/2/153). Questions about how co-operation would function in practice – particularly the concept of dual leadership and who was 'Prime Minister Designate' – dogged the two parties (Butler and Kavanagh, 1983: 76-77; Butler and Kavanagh, 1987: 270). But *contra* the hypothesis that the assumptions of British politics made co-operation more difficult, it pushed the two parties closer together. As the Alliance gathered pace following its first by-election victory, Steel argued to Hugo Young that Liberals had 'learned in 1950-51, or rather from that period, when they consistently split down the middle about giving or withholding support' for either Attlee's government, or Churchill's opposition (Young (Steel), 2007: 25/3/1982, 180). The key difficulty, Steel argued, was learning 'how to live when there are only two lobbies to go into'. His key lesson was that close co-operation was necessary, as the two parties could not be seen to be working at cross-purposes. Bill Rodgers argued that 'the evidence is overwhelming that the electorate doesn't like rows, our two parties must appear to be more united than either the Labour or Tory parties.

How much can be gleaned about the operation of inter-party co-operation in British politics from an example that could be seen as *sui generis* – between two parties, neither of whom were one of the two largest – is moot. However, the size of the parties, and the idea that advantage in negotiations was dictated by perceived size and being the 'senior partner', was a key factor that frustrated advocates of close co-operation. It was a key part of the early strategy of the SDP – Hugo Young (op. cit.) noted that 'they keep saying they are the major partner: that no one is joining the Liberals now, all are joining them'. This was an urgency encouraged by advocates of a close working arrangement but opposed by those who felt, as Owen did, that the SDP should 'remember the whole situation is a political bargaining situation' (Joint Parliamentary Committee/Steering Committee Meeting' 7/4/1981, Box 1). To that end, the argument went, they should first firmly establish themselves as an independent national force of superior electoral strength to the Liberal Party (Owen, 1991: 516-518).[23]

Party-Facing Constraints

How a newly created fourth party with ambitions of high office should operate within Britain's electoral landscape was unclear. What a third party's collective emotional response should be, let alone any practical manoeuvres, was equally uncertain. Clement Freud, the Liberal MP, described his reaction to the SDP' creation as 'a dichotomy between ambition and pride. They further my ambition, they obviously dent my pride' (Clement Freud on SDP', 27/3/1981, LBC/IRN Archive). The Liberal Party Council's first move following the public pronouncements of their leader and his prospective partners was both to reaffirm its 'independence and unique radical philosophy', while also sanctioning Steel to privately negotiate. The rise of the SDP provided two conflicting sensations. Success and momentum were intoxicating, changing the mind-set of key figures initially sceptical of the merits of embracing the SDP. But it also undermined and swept away the party's 'community politics' approach which had, since its 1970 conference in Eastbourne, meant a commitment to 'a dual approach to politics, acting both inside and outside the institutions of the political establishment'. The SDP surge was inherently 'top-down' and Westminster-led, and powerful enough to partially dilute the importance of Liberal electoral footholds (Pridham and Whiteley, 1986).

In early 1980 Bill Rodgers epitomised the broad feeling among prospective Social Democrats of the Liberal party by noting his

> … great respect for David Steel, who might be more concerned with a major realignment of politics than his own party's precise position in it. But that is far from true of all of his colleagues and the Liberal party has its own sentimental and institutional ties. (Rodgers to Jenkins, 3/1/1980, Box 2, Rodgers Archive)

[23] Ian Wrigglesworth argued it was 'Nonsense to enter a deal when we are weaker but have the potential to be stronger' Joint meeting of Parliamentary and Steering Committee, 7 April 1981

The institutional and personal memories of the Lib-Lab Pact, which had concluded a little over three years before SDP-Liberal co-operation was ratified, remained raw. They were certainly a factor for both opponents and advocates of co-operation within the Liberal Party. Liberals who had been at the apex of decision-making during the pact. These included David Steel of course – who, his biographer says, produced his account of the Lib-Lab Pact in 1980 with 'strategic timing' (Torrance, 2012; 213). But others such as Chief Whip Alan Beith (1983) believed in the positive restraining power of the Liberals, and felt the medium-term effect had been an enhancement of the party's electoral standing. Steel also felt any strategy based on the inherent benefits of co-operation would have to be fought over two electoral cycles, at least (Joseph, 1983: 53). This meant bruised memories Liberals had of the Lib-Lab Pact were also real. Kirkup (2012: 13) argues that 'the pact had no discernible impact on the creation of the SDP or the subsequent SDP-Liberal Alliance'. But the Liberals' experience had clearly acted to firm up opposition to any inter-party co-operation among some prominent figures within the Liberal Party. Michael Meadowcroft (1998: 13), an ardent critic of the pact, felt that 'to a larger extent than is often realised, one's perception of the potential and the frustration of the Alliance years is coloured by one's experience of previous opportunities and failures'. The principal failure, Meadowcroft (2016, Interview) felt, had been Steel's inability to extract significant enough concessions from the Labour Party. Tony Greaves, the Secretary and driving influence of the consistently anti-Alliance Association of Liberal Councillors (ALC) and ultimately the only platform speaker against the pact in September 1981, felt 'in the Lib-Lab Pact we gave everything, and got nothing' (Slade, 2004: 32).

But shepherding disparate internal party groups was a significant task for a leader armed only with tools of persuasion and the same legitimacy as leader that had underlined his progress towards the Lib-Lab agreement. Steel held an attitude he neatly summarised as: 'you make the bullets and I'll fire them, but don't expect me to come to the executive or the council or the policy committee' (Brack, James and Steel, 2015: 442). But he did have to go to many more meetings of the Liberal Party Council than he may have liked in this period. Steel's open position as a political entrepreneur, and his belief parties and electorates could be dragged towards realignment through inter-party decision-making, had not wavered following the Lib-Lab Pact. Sceptical SDP MPs felt that Steel was bouncing their party into an agreement but were also all aware, while expressing wildly differing levels of sympathy, of the difficulties Steel had in carrying his party with him as the finer elements of the pact were finalised.[24] Steel (Interview, 2016) feels that, ultimately, 'whatever the grumblings were in the Party Council or in the columns of *Liberal News*, the fact was that the party was always very supportive – overwhelmingly so'.

[24] David Marquand felt Steel 'needed some indication the SDs were willing' and Tom Bradley felt Steel 'should be given some encouragement'; Robert Maclennan felt that 'SDs did not have to accept Steel's interpretation of what he needs' Joint meeting of Parliamentary and Steering Committee, 7 April 1981

Any splits in the SDP from its creation to October 1982, and the finalisation of the nationwide constituency agreement with the Liberals, were related to differing emphasis in tactics and strategy. Given the crux of the relationship with the Liberals was about symbolism, positioning and the ordering of rational political goals, rather than matters of direct policy and ideology dispute, it made sense as the centre point of intra-party contention. Discussion of the Liberal Party quickly developed into a Jenkinsite/Anti-Jenkinsite split. This is a more loose, binary distinction in the analysis of the SDP's inter-party relations than the three-way divide Crewe and King (1995: 125-27) cautiously offered on the party's core conception and purpose. They distinguished between 'centrists', who advocated Jenkins' conception of 'Butskellite' political consensus; 'radical idealists', a hawkish social democracy to which Owen's faction subscribed; and those advocating a 'Mark II Labour Party', essentially revisionist Gaitskellites – a camp occupied by Williams and Jenkins, with both leaning towards support for Owen's radicalism. But the most immediate strategic decision upon the party's creation was on the nature of any SDP-Liberal relationship. Ultimately it was Jenkins' (and David Steel's) belief, that the two parties should begin integration as fast as was feasible that clearly captured the support of the Rodgers and Williams in those early months and, with them, the party's Steering Committee and a more reluctant parliamentary party.

The SDP and the Liberal Party have often been contrasted. MacIver (1996: 24), for example, argued that the SDP was 'an elitist patrician (party) in which the strategic and the more important tactical decisions were usually taken at the centre'. Contemporary accounts, such as those of Steel's political advisor Jeremy Joseph (1983: 56), cited David Owen's frustrated demand that Steel wrest control over regional negotiations over seats as revealing a 'profound ignorance about the fiercely autonomous and independent nature of a local Liberal association'. Yet these differences are seemingly overstated: all of Steel's inter-party objectives were ultimately achieved. While some concerns were raised about the autonomy Steel's faction held in relation to the Parliamentary Liberal Party, these surfaced principally following the 1983 election (Cole, 2012). It would be hard to argue there were not significant problems caused by the Liberal Party in the deal the parties made over constituencies. Steel had to constantly wrestle with his party, particularly sections of his party that he had never loved and whose patience had been frayed by the ultimately minimal political success of the Lib-Lab pact.

That look of political tranquillity and party discipline was hard earned, and the level of personal and political agency that Steel put into assuaging concerns about a pact should not be underestimated. Michael Steed argued in 1982 that, in the status given to individual MPs for winning elections, many regarded as personal victories and fiefdoms, the party did, haphazardly, reflect 'its tradition as a parliamentary party with British political habits' (Steed, 1983: 74). Steel and his key allies and (slightly detached) faction at the top of the party – particularly Party President and key Steel advisor Richard Holme, vice-chair of the Standing Committee William Wallace and the head of Steel's private office Stuart Mole – were able to navigate each key element of the pact, and progress with the long term strategy Steel envisaged. At times this involved a

reassertion of central power, and Steel threatened not to give help from the centre to candidates or associations who pushed against co-operation (Steel, *Daily Telegraph,* 14/9/1981: 12). He was almost comprehensively successful in securing the support of his parliamentary party for these ideas and, by September 1981 the party's overwhelming ratification of the pact at their 1981 conference was a 'triumphant culmination of David Steel's skilful matchmaking over the previous eighteen months' (Crewe and King, 1995: 177-78).

Roy Jenkins and David Steel: Disrupting the 'existing institutional equilibrium'?

A *Scotsman* editorial during the early months of the SDP suggested that:

> David Steel is in a curious position these days. Instead of trying, sometimes desperately, to make things happen they are happening all around him. He is at the still point of a turning world. (quoted in Steel, 1989: 185)

However, this perception of serenity was hard-won. Steel consistently used the concept of co-operation as a performative strategy, developing the Liberal identity in light of the shifting make-up of party politics. While this maddened radical Liberals concerned with the party's independence, it was an archetypal active, strategic heresthetical manoeuvre. It was a clear attempt to reshape the Liberal position to improve its chances of success; enhancing the party's electoral strength through reshuffling the party system and increasing the dimensionality of party politics from a two-and-a-half to a three-party system, rather than any substantive rhetorical or policy change. This preoccupation with the machinations of inter-party politics as a signalling device, and changing the formal institutions of British politics, offers a classic example of hersethetic manipulation. William Riker (1981) argued that heresthetics acted as a challenge to conventional rational choice theory, by pointing out how political choices can be defined by creative leadership strategies. The long-term political fate of the Alliance disguises the fact that the intra-party heresthetic strategies both leaders used to form the Alliance in the early period of its existence were a clear success in defining the terms in which inter-party politics was discussed.

Steel was aware the Liberals had not achieved the plausibility as an office-seeking party he had tried to achieve from the Lib-Lab Pact. 'Breaking the mould' through a strengthening of the 'radical centre' was a different method of achieving this result. The forging of formal co-operation allowed the Liberal Party to surf the SDP wave. Instead of the drift that could have followed the party's survival after 1979, co-operation gave Steel and his party renewed electoral direction. Steel also crucially formed and framed a clear intra-party choice, so those within Steel's party ultimately had little alternative than acquiescence to the Alliance strategy. In analyses of the formation and fate of the Alliance, the role of the Liberal Party is often viewed as inevitable. This has meant Steel's role in the early months of the SDP has been overlooked.

The principal area of doubt surrounding the efficacy of Steel's strategy was the change it affected on those within the Labour Party prior to the SDP's creation. If Steel was structuring the political alternatives for the social democrats within the Labour Party to make splintering more attractive, it was not clear at all that they noticed. The rational calculus of those defecting from Labour was internal to the Labour Party and had little to do with Liberal positioning as potential electoral partners. This ambiguity was helpful to Jenkins. It increased the number of MPs who defected to the SDP, many of whom were – as far as they were concerned – joining an explicitly social democratic party principally looking to usurp Labour on the left. Owen, and his political allies, felt they were sold a false prospectus. But if they had made different intra-party strategic choices and more clearly secured the SDP's identity in its embryonic stage of development, it would not have been as easily reshaped by Roy Jenkins.

Crewe and King (1995: 159-60) explicitly link Jenkins' prioritisation of gaining political office as quickly as possible, and his acute electoral realism, to his advancing age – and he strongly believed an election, assumed to take place in 1984, could only lead to government with a close Liberal-SDP alliance. While David Owen advocated a 'bridgehead rather than a breakthrough' strategy, with the Alliance most likely to gain office as a de-facto joint third party, working in combination with Labour or the Conservatives, Jenkins was adamant that the Alliance, in combination, could form a majority government. This is paradoxical, given Jenkins position was premised on electoral realism and a belief in the intrinsic value of cross-party co-operation, while Owen's was not. Yet it epitomised conflicting temporal horizons and strategic priorities. The disagreement can be distilled by asking whether the first two stages of Crewe and King's life cycle – the birth formed from a breakaway by a chunk of Labour's social democrats, and the party's life of (relatively) brief electoral prosperity and decline – were a precursor to a death by merger that was effectively preordained.

Owen felt the party's inter-party strategy hindered the creation of a radical policy platform. The relationship between the SDP and the Liberal Party sat at the nexus of his internal criticism of the party's electoral direction, and his objection to the way the party's identity developed. But for Jenkins the aim of any new party was very different – as were the electoral calculations. Just as he disparaged Owenite social democrats in 1988 for wishing to ingrain policy in the party's constitution, so he felt any new party should downplay policy goals given that their electoral ambitions were, in and of themselves, radical. For Jenkins, the eventual fusion of the parties, into what in 1988 became the Liberal and Social Democrat Party, was a direction of travel that motivated the creation of the SDP. In the rancorous debate in February 1988 on whether the party should merge with the Liberals, Roy Jenkins conceded it was legitimate for members to ask why he had not, instead of creating a new party, merely joined the Liberal Party.

For both Jenkins and Steel interests and ideology intermingled with the short and medium-term rational calculation that necessitated co-operation. David Marquand (1991) described Jenkins as 'a mercurial half-

Celt, given to intuitive leaps rather than plodding calculation, and swept by powerful emotions'. The Alliance, and the formation of close bonds between the two parties, was an attempt to increase the salience of a 'new' style of party politics that Jenkins saw as inherently. The objective was to disrupt a party system that undermined effective, moderate executive decision-making, while also in the short-term working within its constraints to achieve the votes and the office to this end. This was almost certainly, as Jeremy Thorpe had remarked to Jenkins in 1974, a more likely path to the premiership than through the Labour Party. But it also had the benefit of being the epitome of the radical, progressive, pluralistic liberalism in which he believed. Likewise, for Steel, there was a clear attempt not just to reposition the Liberals so they were more likely to win, but also to challenge a political culture – crafting and creating further demand for a party concerned with political reform and change. These cultural shifts Steel and Jenkins aimed for, breaking a two-party mould that was as ideational as it was bound up with the mechanics of the voting system, were not achieved. In the end, Steel remarked to Hugo Young (Torrance, 2012: 212) 'Jenkins wants to be PM, or else to have changed the shape of British Politics'. This made an agreement with the Liberal Party both desirable, and a pre-requisite.

CHAPTER SIX - The Blair Ashdown Project and Lib-Lab Politics, 1992-1999

9 April 1992 Conservative Party win a fourth general election. Result seen in part as a rejection of the possibility of coalition and an unstable Kinnock-led government.

9 May 1992 Paddy Ashdown delivers his 'Chard Speech', signalling a change in strategic direction away from a policy of 'equidistance' between the two main parties.

4 November 1992 Liberal Democrats vote with Conservatives on a key vote on the Maastricht Treaty, playing a key role in the bill's (and, arguably, John Major's) continuation.

1993

1 March 1993 John Smith delivers a speech to the constitutional reform pressure group Charter 88, calling for wide-reaching constitutional and political reform (though, notably, not electoral reform)

1 December 1993 Blair and Ashdown meet for the first time to discuss strategy and the political landscape.

1994

21 July 1994 Blair confirmed as Labour leader. John Prescott elected Deputy Leader.

4 September 1994 First meeting between Ashdown and Blair, with both leaders of their respective parties.

5 September 1994 Ashdown sets up Jo Group, an informal advisory group to discuss Lib-Lab relations.

1995

3 May 1995 Meeting between Ashdown and Chief Whip Archy Kirkwood, and Blair and Robin Cook. Agreement both parties will explore areas of constitutional agreement, led by Cook and the Liberal Democrats' Robert Maclennan.

25 May 1995 Liberal Democrats' Federal Executive endorse a party statement formally ending the party's policy of 'equidistance' between Labour and the Conservatives.

27 July 1995 Liberal Democrats narrowly win the Littleborough and Saddleworth by-election, a campaign damaging to Lib-Lab relations.

1996

29 October 1996 Labour and Liberal Democrats announce Cook/Maclennan talks, setting up a Joint Consultative Committee (JCC) to reach agreement on legislative programme of constitutional reform.

1997

5 March 1997 The Cook-Maclennan Agreement calls for broad constitutional reforms and a commission to come up with an alternative to First Past the Post.

1 May 1997 General election, 1997: Labour win 418 seats and a majority of 179.

23 July 1997 Joint Cabinet Committee is set up, served by the Cabinet Office and formed of 6 Labour ministers and 5 Liberal Democrats, to discuss constitutional affairs.

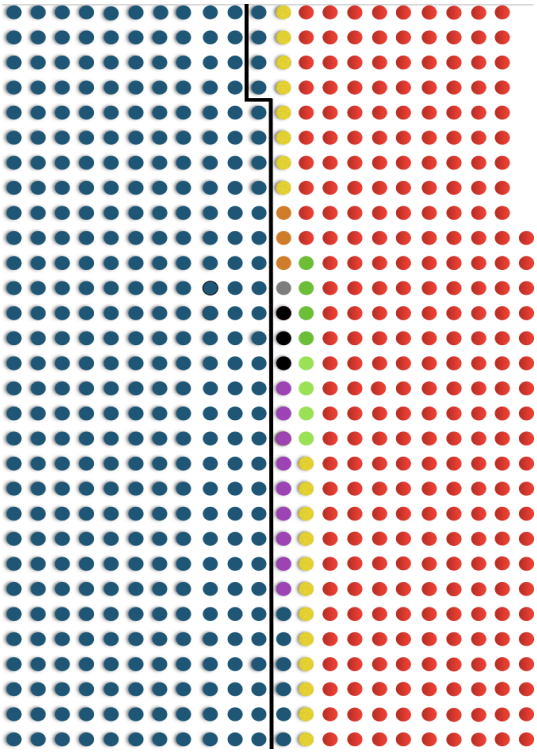
1998

5 November 1998 – The Jenkins Report on electoral reform is published, advocating a move towards AV+ as a method of election for the House of Commons. Labour distances itself from the report.

11 November 1998 – Ashdown and Blair announce an expansion of the Joint Cabinet Committee.

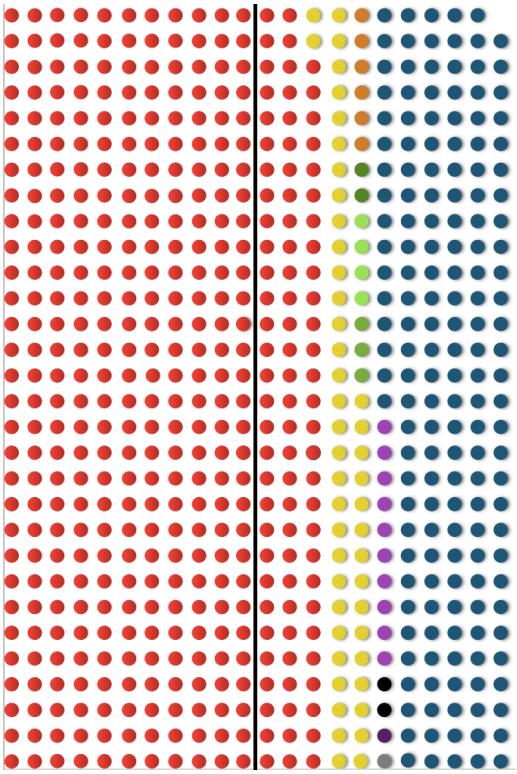
19 January 1999 – Paddy Ashdown resigns as leader of the Liberal Democrats

Figure 1: General Election 1992, seat distribution in the House of Commons



Party	Seats (% of total)
Conservative	**336** (51.7)
Labour	**271** (41.2)
Liberal Democrat	**20** (3.1)
UUP	**9** (1.4)
SDLP	**4** (0.6)
Plaid Cymru	**4** (0.6)
SNP	**3** (0.5)
DUP	**3** (0.5)
UPUP	**1** (0.2)

Figure 2: General Election 1997, seat distribution in the House of Commons



Party	Seats (% of total)
Labour	418 (63.4)
Conservative	165 (25)
Liberal Democrat	46 (7)
UUP	10 (1.5)
SNP	6 (0.9)
Plaid Cymru	4 (0.6)
SDLP	3 (0.5)
DUP	2 (0.3)
Sinn Féin	2 (0.3)
UK Unionist	1 (0.2)
Independent	1 (0.2)

'The ultimate objective is a new political consensus of the left-of-centre … firm in its principles but capable of responding to changing times, so that those values may be put into practice and secure broad support to govern for long periods of time … To reach that consensus we must value the contribution of Lloyd George, Beveridge and Keynes and not just Attlee, Bevan or Crosland.' *Tony Blair, 1945 Anniversary Lecture* (1995: 4)

'The mould is cracking. We haven't broken it. But we are the fixed point, the fulcrum. We are ready.' *Paddy Ashdown,* (Young, *The Guardian*, 11/4/1997: 21)

'I know some of you are a bit nervous about what I am doing with the Liberal Democrats. Though not half as nervous as they are.' *Tony Blair, Labour Party Conference, 1997*

Overview: Political Context and Heresthetic Strategies

The negotiations conducted between Labour and the Liberal Democrats between 1994 and 1999 – throughout New Labour's period in opposition, and continuing into the early period of the Labour government – principally hung on the dynamic between the two party leaders, Tony Blair and Paddy Ashdown. Blair and Ashdown first met to discuss their parties' strategic direction in 1993, while Tony Blair was Shadow Home Secretary. Ashdown Chard Speech, following the 1992 general election, had called specifically for anti-Conservative co-operation, though had rejected the idea of an electoral pact with another party (Brack, 2016; Russell and Fieldhouse, 2005: 36-40). As this Tony Blair was impatient with John Smith's style of opposition, and agitation for Lib-Lab co-operation provided an outlet for some of these frustrations; Smith had no interest in the pre-electoral exploration of links between the two parties (Stuart, 2006: 410). However, following Blair's election to the Labour leadership, the possibility of Lib-Lab co-operation quickly formed a significant aspect of New Labour's political strategy (Fielding, 2003), and analyses of the New Labour project

Ultimately, however, Labour achieved a landslide victory operating independently of the Liberal Democrats, albeit with an agreement to keep media attacks between the two parties to a minimum. A Joint Consultative Committee on constitutional issues beget a Joint Cabinet Committee on constitutional reform in government, and led to co-operation's short-lived (and wholly symbolic) expansion into further areas of social policy and Europe. Formal links informally rested on the progress of institutional changes Blair was unable to deliver – principally the sidelined Jenkins Report, which recommended proportional representation. Both Blair and Ashdown saw their political aims as aligned and their party's strategies and success as interdependent. But this chapter demonstrates their imperatives for co-operation, and their strategic vision for what it involved in practice, ultimately conflicted. Inter-party co-operation swiftly fizzled out following Ashdown's resignation as Liberal Democrat leader, with Charles Kennedy supportive of

Ashdown's ideological direction but not the heresthetic strategy of inter-party he viewed as fundamental to achieving these policy aims (Francis 2010: 93-95; Russell and Fieldhouse, 2005: 43-44).

The extent to which Lib-Lab co-operation remains a missed opportunity for the right of the Labour Party remains contested. The historian Richard Evans (2014) noted, disapprovingly, that the inherent seductiveness of historical counterfactuals lies in 'freeing history from the straitjacket of determinism' by 'treating individual human actors – generals or politicians, in the main – as completely unfettered by larger forces, able to make decisions without regard to them in any way'. To this end, Anthony Seldon offered a striking hypothesis on the Lib-Lab 'project' of the 1990s, and the role and influence of Roy Jenkins in the elite machinations of New Labour. Seldon (2004: 277) argued that:

> What is clear is, had Blair followed his frustrated mentor's advice, his place in history, and that of the Labour Party, would have been very different.

That Seldon conforms to Evans' criticism does not discount his analysis. The striking prioritisation of agency in accounts of the Labour-Liberal Democrat dynamic in the 1990s can be traced, in part, to the source of existing evidence: well-resourced journalistic accounts, and the recollections and diaries of those present (Ashdown, 2000; Rawnsley, 2001). But it also reflects the reality of negotiations initiated and developed at an elite level. Roy Jenkins was both a symbolic progenitor and instrumental driver of the strategy of Lib-Lab co-operation. He was evidence of intellectual and historical continuity with previous cross-party collaboration, but also, as Blair's 'personal history teacher', of the importance of personality and persuasion. Jenkins felt, and wrote in 1994, that Blair had inherited an 'immensely malleable party compared with that of Gaitskell, or any of his other predecessors'. Blair was, also, the 'most exciting leader since Gaitskell, holding an inspirational quality of leadership … (that has) become almost extinct in British politics' (Jenkins, *The Times*, 23/7/1994: 14). If inter-party co-operation is predicated on powerful, strategic leaders pushing against obstructive intra-party forces, there were grounds for thinking Tony Blair – who had privately told Liberal Democrats, prior to becoming leader, of his desire to 'reformulate the politics of the left' – could be successful in this aim (Ashdown, 2000: 1/12/1993, 242).

Blair claims his designs towards rapprochement with the Liberal Democrats were, in his own words, 'in part intuitive, in part reinforced by Roy Jenkins'; appealing both to Blair's 'sense of history', and his 'general approach to politics' (Blair, 2010: 119-120). The crux of this chapter lies in part in an unpacking of these two interlinking concepts: the interaction between a historical understanding of British party politics, and a rational reading of the electoral landscape and the scope for a Labour victory before 1997 – and further success once in office. The possibility of a Lib-Lab agreement could be viewed as, inherently, a matter of arithmetic. Blair and Ashdown apparently saw their political fortunes as symbiotic, and their aims as largely interdependent. In a sense, therefore, the project had a clear electoral rationality: the result of a shared

experience of persistent failure and the need for strategic co-operation as a heresthetic to short-circuit what had begun to look, by 1992, like a 'predominant' party system and near-permanent Conservative political hegemony (Sartori, 1976: 192-201). Key advocates of co-operation within the Labour Party, such as Peter Mandelson, were motivated principally by this short and medium-term electoral logic (Macintyre, 2000: 390; Mandelson, 2010, 258). From this angle, too, the Blair-Ashdown project was retrospectively a victim of its own success, its phased abandonment the result of the magnitude of Labour's 1997 general election victory.

The survival of the Lib-Lab concept, and Blair's continued attraction to it beyond 1 May 1997, suggests a wider, longer-term purpose beyond gaining a foothold in office. Blair declared he was 'not interested in governing for a term, coming to power on a wave of euphoria, a magnificent edifice of expectations, which dazzles for a while before collapse' (Blair, 1995: 5). While this life-cycle of growth and decline was a reminder of the brief history of the SDP, any overt public links to the Liberal Democrats' antecedent were actively discouraged and quashed. For many Liberal Democrats, the memory of problematic inter-party negotiations over seats with the SDP – Simon Hughes describes them as 'hard, unexpectedly difficult and painful' – was still strong (Ashdown, Interview, 2016; Hughes, 2016, Interview). Within Labour, the idea their leadership should 'hang out the flags' for those who had 'sought to destroy the Labour Party' was difficult to take (Straw, BBC Today 4/8/94, 1994). Yet that did not stop links being made privately, within both Labour and the Liberal Democrats. Ashdown, in his diaries, records putting to Blair that:

> the SDP had unlocked one wave of hope, his election as leader of the Labour Party had unlocked a second and that, if we could pull this off at the beginning of 1996, we would unleash a third and decisive wave which would sweep the Tories away. (Ashdown, 2000: 4/9/1994, 277)

A theoretical Lib-Lab coalition as a final act, in a movement that had begun with Jenkins in 1979, makes sense if the key people involved viewed themselves as part of a broad progressive milieu, sharing a history in which the SDP were a necessary juncture in Labour's electoral history. Both leaders' personal relations were bolstered by frustration with the constraints of partisan politics and, as with Steel and Jenkins, a pre-occupation with questions of strategy and positioning.

There was an essential ambiguity to the relationship between Labour and the Liberal Democrats throughout this period, and any overarching judgment is hindered by the sheer opaqueness of talks conducted, principally, between Blair and Ashdown. But this ambiguity was not coincidental, and there were conflicting heresthetic aims at the heart of negotiations. Pat McFadden, tasked with managing (and, at times, obfuscating and obstructing) the development of inter-party relations, noted in 1998 that 'nobody really knows what TB is planning on PR' (Price, 2005; Young (Lester), 2008: 510, 29/1/97). Deep into the second

year of New Labour's first term in office, as the Jenkins Report brought the question of electoral reform to a head, there was a presumption that electoral reform and pluralism was 'what progressive politics will soon be almost all about' (Young, *The Guardian*, 23/7/1998: 16). Ultimately, for Ashdown it came down to an even narrower conjunction: between electoral reform, and the political priorities and instincts of Tony Blair.

Blair clearly had a commitment to pursuing and entrenching a Labour-Liberal Democrat connection, in the hope of ultimate fusion of the parties. Whether he felt it either desirable or possible strategically to pursue instrumental changes in the Lib-Lab relationship, which would necessitate institutional reform in his party and Westminster, is much less clear. The possible intra-party difficulties Blair anticipated remained largely, though not wholly, hypothetical – a key figure in negotiations on the Labour side says 'we got nowhere near thinking about the mechanics of it, it was still a 'Grand Idea'' (Powell, 2016, Interview). The progress towards co-operation shared many of the characteristics of New Labour's broader constitutional reform agenda – reform and Lib-Labbery were clearly intertwined, and the policy goal on which the plausibility of a cross-party agreement waxed and waned. Both processes were unprecedented and potentially transformational, but ultimately stunted. Bold if piecemeal constitutional reforms provided the core sustainment, and justification, for Liberal Democrats wary of becoming a 'specially constructed bungalow annex in the grounds of Transport House' (Ashdown in Riddell, *The Times*, 11/5/1992: 12); ultimately, Labour's (and Blair's) constitutional conservatism was the undoing of co-operation and, with it, Ashdown's leadership of his party.

Existing accounts of the constitutional reforms of the period stress a distinction between, on the one hand, elite political agency and strategic errors – such as 'confusions, changes of mind… (and) Machiavellian or manipulative behaviour' – and, on the other hand, a more organizational, and more prosaic, 'situational logic' defined by internal Labour division, and extra-parliamentary pressure from electoral reform campaigners such as Charter 88 (King, 2007; Dunleavy, 2009: 618). This is a false dichotomy. The process of the constitutional agenda, and the cross-party mechanisms that were created to support it, cannot be understood outside the sphere of Blair and Ashdown's decision-making. Dunleavy (2009: 645), in his critique of the exaggerated bias of academics who take a Westminster Model 'narrative of power, that takes little account of events outside two-party elite circles' (Dunleavy, 2009: 645), ultimately overshoots by underplaying the explanatory role of elite decision-making, and the narratives of power that form and inform these judgements. While Dunleavy is correct in saying that no one has full 'privileged access to the psychological workings of Blair and the collective government' (Dunleavy, 2009: 645), Blair's decisions can only be usefully understood as those of a politician who ultimately subscribed to a majoritarian political viewpoint. This compelled his view of 'The Project', a heresthetical attempt to construct a 'big tent' centre-left political force within the existing institutional framework of Westminster politics. It was less radical than the view of Ashdown and Jenkins, for it downplayed the permanent change that would be compelled

by electoral reform. It was also, in another way, profoundly more radical: driven by another aim oft-repeated aim to gobble up the Liberal Democrats and permanently merge the two parties as an end destination (Robin Butler, Interview, 2016; Powell, Interview, 2016).

As a result, co-operation, like New Labour's constitutional reforms, was dampened by dominant institutional traditions and norms which defined, and constrained, the parameters of any agreement: the ingrained adversarial parliamentarism of the British Political Tradition; an entrenched partisanship, which formed a major impediment within both parties at an elite and parliamentary level; the sense formal electoral co-operation would be unachievable, and inimical, to both party's interests; a clear idea of executive legitimacy, that made the formation of a surplus majority coalition difficult to manage. Addressing these issues meant a series of untested and unresolved paradoxes and contradictions emerged at the heart of 'the project'. Both parties aimed to enhance their electability through mutual association; it was assumed that any formal electoral collaboration would be damaging to electoral prospects. Negotiations operated on an ultra-elite basis and, at least at first, with privacy; yet the formal mechanisms created by Lib-Labbery were little more than an intensive, albeit largely symbolic, public exercise. The continued momentum of inter-party relations was reliant upon elite personalities and leadership dynamics. It also provides compelling evidence of the limited power of agency, in overcoming the structural and institutional constraints to collective action between parties. There was clarity and cohesion in the historical diagnosis of both Blair and Ashdown, and the long-term temporal vision of a 'progressive century'; in the end, short-term electoral realities and intra-party necessities trumped broad-brush strategic imperatives. Whether this was born from tactical imperatives or unresolved intellectual disagreement is key to understanding what was achieved, and in evaluating the extent to which the objectives of both parties, and their leaderships, were aligned.

The Smith-Ashdown dynamic and constrained inter-party dialogue, May 1992- June 94

Labour Intra-Party Discussion of co-operation

Despite patchy evidence in support, a strong narrative took hold both within and outside the Labour Party that the 1992 Conservative majority had been caused by the vote-repelling prospect of a hung parliament and a Lib-Lab coalition government. Peter Mandelson felt 'nudging and winking' (Baxter et. al, *Fabian Review*, 1992: 5) about a Lib-Lab arrangement has made Labour look weak and muddled. Dennis Skinner, on election night, pinned Labour's defeat on the 'nonsense of 'getting into bed with Liberals', and engaging with the 'chattering classes' who supported proportional representation (Skinner, BBC Interview, 1992). Butler and Kavanagh (1992: 130) concluded that 'fear both of a Labour government and a hung parliament drove voters from both the opposition parties in the last few days'. There was very little sense prior to the short campaign of 1992 that Liberal Democrat strength was taken seriously: Robin Cook, who would go

on to be the most senior, and most sincere, cabinet supporter of the Liberal Democrat's constitutional agenda, argued Liberal Democrats would have too little clout to demand any more than a 'Speaker's Conference' on electoral reform (Young (Cook), 2007: 337-39 12/2/92). While Kinnock would not replicate Wilson and 'do another 1974' he would use any hypothetical hung parliament to do no more than offer minimal terms, to a party whose future did not seem wholly certain (Ibid.). However, in the run-up to election day, the prospects for a hung parliament became clearer. Jo Phillips, Paddy Ashdown's Press Secretary from 1992 till his resignation, found on her first day in the role:

> the plan that had been laid out for the '92 election of where Neil Kinnock and Paddy would hold their separate press conferences and announce this great new deal, a new dawn and all the rest of it (Phillips, 2016, Interview).

Ashdown wrote, in a post-election strategy paper of April 1992, that it 'must now be virtually certain that Labour will adopt PR' (Ashdown, 2000: 572); equally, Robin Cook felt the implementation of electoral reform would be an inevitable process, flowing from the wider constitution reforms to which Labour was committed (Young (Cook), 2007: 12/2/1992, 338). Ashdown cites 'a prolonged period in which the Conservative government appears unreplaceable' (Ashdown, 2016, Interview) as a key necessary condition for centre-left pluralism, and it was clear that Labour's 1992 defeat led some to doubt the plausibility of a majority Labour government. For advocates within Labour the nature of the defeat and of 1992, a 'cold shower year' (MacDonald, 2016, Interview), had created an opening: the shock of electoral defeat and protestations from political scientists that a Labour majority was, potentially, permanently unviable. Bill Rodgers wrote to Smith in April 1993 to argue anyone with 'a historic feel for the sweep of politics' would know that 'the Liberal Democrats are not going away'. He also tried to persuade Smith of the 'energy, enthusiasm and hope you would release by ceasing to pretend that Labour can do it alone' (Rodgers to Smith, 16/4/1993, Murray Elder Papers). Blair saw this process following defeat as a cyclical pattern of behaviour – 'the defeat is like being caught in a shower of cold rain … but it dries out terribly quickly' – and, privately, felt the party was falling short and 'not doing enough' (Sopel, 1996: 165; Wright, 2016, Interview).

Ashdown's optimism appeared to fundamentally underestimate the level of antagonism towards reform within the Parliamentary Labour Party – calls for electoral reform in PLP meetings came from a few isolated figures such as Tony Wright and Jeff Rooker, and were invariably badly received (Stuart, 2006: 410; MacDonald, 2016, Interview). Neil Kinnock, in July 1993, put the number of Labour MPs close to 'Liberals' as a 'half-dozen' (Young (Kinnock), 2007: 6/7/1993, 388); some of those six or so MPs paint an equally grim picture, though the Labour Campaign for Electoral Reform had 69 MPs 'sponsors' prior to 1997 (LCER Conference Newsletter, 1997). The problem with talk of reform is that 'it couldn't come from the Libs, the default attitude was that they were losers trying to grab on to our coat-tails' (MacDonald,

Interview, 2016). Labour post-mortems continued to refer to the party as the 'Liberals', while Blair only spoke euphemistically of Labour creating common cause with other parties internationally (Baxter et. al, *Fabian Review*, 1992: 5). Fringe conference events at the 1992 Labour and Liberal Democrat conferences, 'Cross Party Dialogue, an Agenda for the 90s' were organized by the Labour's Calum MacDonald and the Liberal Democrat Simon Hughes (who would go on to be broadly antagonistic to Ashdown's 'project'). If they were a way of testing the water, reports emanating from the conference ('rank and file spits bile at Lib-Labbery') suggested their reception was, at best, muted (Aitken, *The Guardian*, 1/10/1992: 8). A *New Agenda Forum* was set up within the PLP by MPs, largely from the more recent intake of MPs, with the aim of promoting policy dialogue that was 'neither sectarian nor exclusive' and drew inspiration 'from a long and rich tradition of radical and socialist thought' (Campbell et. al, 1993: i, ii).

Labour's new leader, John Smith, was actively dismissive of the idea of any formal co-operation. There are competing accounts of a convivial car journey with Ashdown to Southampton, while Smith was Shadow Chancellor, on the prospects for Lib-Lab politics and proportional representation in exchange for minority government support in the style of the 1977-78 Lib-Lab arrangement (McSmith, 1993: 326; Grice, *The Sunday Times*, 3/4/1994: 5; Stuart, 2005: 293).[25] But Smith clearly that the idea of electoral pacts should be dismissed as Labour would govern alone, and told Ashdown so (Ashdown, 2000: 11/5/1989, 42); equally he consistently believed, during his period as leader, that pacts and alliances were neither achievable nor deliverable (Stuart, 2005: 293; Young (Smith), 2007: 22/4/1993, 379). Bill Rodgers told Smith the idea that 'we could never win with Neil, but with John Smith it will be different' was 'profoundly dangerous', and that Smith was surely 'too shrewd to take that at its face value' (Rodgers to Smith, Letter, 16/4/1993, Murray Elder Papers). Smith's reading of the electoral landscape was that a Labour majority was eminently possible under his leadership. Polling evidence, from October 1992 onwards, showed consistent double-digit Labour leads on voting intention, leadership popularity and economic competence. But self-avowed modernising MPs were consistently unconvinced – just a week after polling was published in November 1992 showing a Labour lead of 19 per cent, less than 6 months into Smith's leadership, *New Agenda* co-founder Nick Raynsford was warning Labour was in 'a state of anaesthetized torpor … sleepwalking into electoral oblivion' (Grice, *The Sunday Times*, 22/11/1992: 11).

Smith did not actively resist burgeoning attempts within his party to foster the idea of co-operation. Ashdown certainly got the impression that Smith would potentially acquiesce to the idea of locally agreed constituency-level pacts, initiated at a grass-roots level. This was the core aim of Labour MPs who were attempting to forge cross-party links, a belief if they could 'sow attitudes or some kind of openness at a grass-roots level', this could be the first stepping stone to encouraging co-operation (Macdonald, Interview, 2016). But there were clear limitations given Smith viewed the idea as neither particularly intellectually

[25] The story appears to stem from a reference by Andrew Grice in the *Sunday Times* in 1993, and subsequently appeared in Andy McSmith's biography. It goes unmentioned in Ashdown's diaries which, as Smith official biographer Mark Stuart notes, are generally thorough in their detailing of Lib-Lab discussions.

desirable or electorally expedient. David Steel, having spoken to Smith, was less positive about the possibilities for co-operation: if Smith had 'the nerve and the sense', he would say he was open to pacts built on a constituency-by-constituency basis, but the Labour leader seemed 'unable to face the party problems that might ensue' (Young (Steel), 2007: 8/6/1993, 383-84). Throughout the long campaign of the Eastleigh by-election from early February to June 1994, Labour's campaign was principally motivated to damage Liberal Democrat chances, in a seat where the Liberal Democrats were strong favourites. Led by Jack Straw, who was known to be keenly anti Lib-Lab, the campaign's core aims were two-fold: to undermine the perception they were the Conservatives' principal opposition in the South, and to dent the possibility of Liberal Democrat momentum given fears a significant advance – despite the psephological data – could be electorally damaging to Labour (Kellner, *The Sunday Times,* 27/2/1994: 4).

By the time the Eastleigh campaign had reached its conclusion, John Smith had died, and Blair was leader-in-waiting of the Labour Party. The desire to prove to Smith the need for inter-party co-operation and the failure to do so defined the relationship between Ashdown and Smith, and severely constrained dialogue among advocates of deeper organizational and electoral co-operation in both parties. The two leaders and their teams did co-operate over parliamentary tactics, particularly briefings and preparation for Prime Minister's Questions (Leaman, 2016, Interview). But little personal chemistry between the two leaders. Smith told Ashdown their two offices should 'defend the habit of friendship, even if it's not the time for formal co-operation' (Ashdown, 2000: 19/10/1992, 196-7). But there was a clear sense during Smith's time as leader that inter-party schemes of the kind he was pushing for had little, if any, chance of gaining traction.

It is a notable irony, therefore, that the principal victory claimed by Liberal Democrats from the Blair-Ashdown dynamic – the raft of constitutional reforms seemingly emanating from the Joint Cabinet Committee and the Cook/Maclennan report – were almost wholly changes advocated by Smith during his two years as Leader of the Opposition. In a speech to Charter 88 on 1 March 1993, Smith supported the concept of devolution for Scotland and Wales, a freedom of information bill and House of Lords reform (A citizen's democracy, 1/3/1993, Shore/16/54). The one area of distinct failure for the Liberal Democrats throughout this period, an inability to secure a referendum on an alternative voting system, was equally noticeably absent from Smith's offer. Smith did not want to actively reject the idea of electoral reform – in part due to a calculated desire not to ward off tactical Liberal Democrat votes (Stuart, 2005: 295). A further area of reform that had to be prised out of Blair when in government, a form of PR for European elections, was one that Smith had privately undertaken to adopt in opposition – it had been noted that Steel and Callaghan's defeated bill of 1977 provided a ready-made, off-the-shelf draft (Young (Cook), 200: 337-39 12/2/92). This did not mean a shift away from what Flinders (2009) describes as Labour's 'traditional acquiescence with majoritarianism', but it does cast doubt on the tangible, institutional and constitutional gains that Roy Jenkins pointed to – upon Ashdown's resignation – as his defining policy and political legacy (Campbell, 2015: 715).

However, a shared frustration with John Smith's 'One More Heave' strategy as Labour leader served both to unite an increasingly hostile group of senior moderate MPs within Labour and, significantly, led Blair to reach out to Ashdown.[26] Blair was consistently frustrated that Labour was 'not doing enough' in opposition towards modernization of the party. This crystallized into consistent pressure on Smith to dilute the union link – first through the removal of the union 'block vote', and then the exclusion of trade union 'levy payers' – moves, when announced, welcomed by Charles Kennedy as 'bringing down Labour's 'Berlin Wall' (Macintyre, *The Independent,* 21/9/1993: 1; Sopel, 1995: 162-3). But as a precursor to his bullishness on internal party reform, and reluctance to formally consolidate Lib-Lab ties, the tentative nature of Blair's movements towards Ashdown under Smith's leadership are notable. When the two first met in 1993, organized by Liberal Democrat MP Anthony Lester, Blair was concerned about being 'squashed by the unions and the left wing' (Ashdown, 2000: 14/7/1993 228-29); On their second meeting, in December 1993, Ashdown recounts Blair as overt in his support for realignment, but repeating that he would have to see if there was 'room in the Party for this' (Ashdown, 2000, 1/12/93 242-44). Willing but uncertain of its plausibility, dictated by electoral logic but also constrained by it, these informal discussions, as Ashdown tells them, appear prescient as to what would later shape and define discussions on 'the project'.

Liberal Democrat Intra-Party Discussion of co-operation

For Liberal Democrat strategists, following the 1992 general election, the 'sense was that we got burnt in the last week of the campaign, because hung parliament equals uncertainty equals unstable government' (Leaman, 2016, Interview). Ashdown, in a strategy paper come electoral post-mortem (senior party members had anticipated more than a gain of one seat, and coalition negotiations) set out his perception that the core problem was 'Britain is simply not educated on coalition government, and our hopes that we may be able to sell the concept foundered' (Ashdown, 2000: 'Strategy Paper, June 1992', 575; Hurst, 2006). For Ashdown, and his inner circle of advisors and senior MPs, there were two clear conclusions to draw. Firstly, the concept of coalition government needed to be 'reframed in the public imagination' (Phillips, 2016, Interview). And, secondly, the party needed to work detoxify Labour and 'drive a real wedge in the party on PR' (Ashdown, 2000: 'Strategy Paper' 572-578). To that end, Ashdown (Interview, 2016) made what he argues was the most importance intervention of his leadership of the Liberal Democrats: the 'Chard Speech', in his constituency a month after the 1992 election, which outlined the party's strategic direction. Ashdown confronted Liberal Democrats resistant to any dilution of political independence, or – as Ashdown saw it – their ambivalence to political power. He called on his party to 'take risks to shape and influence events in our favour', to aid the 'construction of post-socialist, non-Conservative Britain'. This would not require 'mathematically constructed pacts and alliances … (which) would be a waste of precious

[26] 'One More Heave' is a leitmotif in British Politics for defensive opposition, coined by Jeremy Thorpe's Liberal Party between the two elections of 1974.

time – at worst positively damaging', but would need Labour to come to terms with the 'new reality' that 'Labour can no longer win on their own' (Ashdown, 1992 in Brack and Little, 2001).

In some senses, what Ashdown was proposing was not all that isolated. Post-election articles in the *Fabian Review* from Labour politicians (including Blair and Mandelson) also bore striking comparison to Ashdown's speech, not least Blair's call to 'work with others in a common cause' (Baxter et. al, *Fabian Review*, 1992: 5). However, Ashdown's principal hurdles were within his own party. A clear reluctance to be defined by its tension with other parties was played out through the terminology of 'equidistance'. This meant Ashdown's clarity in his internal strategic position was unmatched by a public stance that could not fully commit to a rejection of a Conservative-Liberal Democrat agreement – which had been discouraged but had lingered through, for example, David Owen's endorsement of Major in the 1992 general election (Young, *The Guardian*, 11/3/1992: 23). Blair's reaction to the Chard Speech was to argue it was unclear whether Ashdown believed his party was a 'left-of-centre grouping opposed to the Conservatives or a wishy-washy centre who would do a deal with anyone', before adding that 'the public would not buy pacts or deals, based on adding the Labour vote to the Liberal Democrat vote' (Wood, *The Times* 11/5/1992: 16). Butler and Kavanagh (1997: 68) described the Chard Speech as a change in the party's 'basic stance'. But internal pressure meant it was far from certain that Ashdown's strategic mindset and political will would inevitably shifted the Liberal Democrats towards co-operation, as he felt he was 'wading waist-deep through treacle' (Ashdown, 2000: 22/6/1992 169).

The Chard Speech of May 1992 was a signal Ashdown was keen to tie the party firmly to Labour but remained, as one Lib Dem MP argued, 'the outrider in terms of that view' within his parliamentary party (Private Interview, 2016, Interview). Although 'to outside observers … equidistance came to look more like fiction than fact', (Leaman, 1998: 162) Ashdown was still constrained by a party (particularly a parliamentary party containing 'very hostile voices') who, following his speech, were principally angered he was 'railroading everybody into positions they don't want to be in' (Ashdown, 2000: 12/5/1992, 164-5). The 1992 result cemented the Liberal Democrats electoral position and therefore, in the minds of Ashdown and his advisors, the policy of equidistance had now served its purpose. But others had been well served by the party's vagueness on co-operation. While anticlimactic, it had not only secured the party's continuation but also led to the 'discovery' of a regional impact in the South West, which would later be of significant tactical interest to Blair. The extent to which Ashdown was shepherding disparate and reluctant troops could be seen not just in the difficult reaction from expected to be wholly supportive, but the mixed reactions from those who could be, on paper, expected to support his position (Ashdown, 2016, Interview). A quip, attributed to both Russell Johnston and Ming Campbell, later a keen advocate of 'the project', and the nearest Ashdown came to a supportive successor in 1999, described the Chard speech as a 'burnt offering' (Hansard, HL, v. 712 c. 773 9/7/2009; *The Guardian*, 1994: 8).

The problem for Ashdown lay in shifting his party – something he felt, almost a year after the election in March 1993, he was beginning to do through consistent reiteration and intra-party persuasion (Young (Ashdown), 2007: 30/3/1993, 369). Ashdown's public call for 'a change in the climate of politics' throughout the period from 1992 to 1994 was aimed at voters – for 'it all does depend on people accepting the hypothesis that coalition politics is better than one-party politics'. But his party, particularly key sections of his parliamentary party resistant to any dilution of the party's independence, were also a targeted audience (Young (Ashdown), 2007: 30/3/1993, 369). At the 1992 annual conference, Ashdown won a mandate for his strategy paper and a more overt endorsement to 'explore' political co-operation – a vote that Ashdown felt, had he lost, would have meant the end 'of my whole Chard strategy and probably me with it'. A majority of delegates, 594 to 341, backed the inclusion of a call for inclusivity and co-operation. However, this was a work in progress: ratification was almost halted by a draft resolution, aimed at making a vote on the conference floor much less winnable (Ashdown, White, 1992: 24). The eventual motion proclaimed the 'Liberal Democrats should develop and debate ideas by working with people, of all parties and none and at all levels' – anodyne enough for a *Guardian* editorial to dismiss it as 'narrow and negative in tone' (*The Guardian,* 17/9/1992: 18). The task of working together, they argued, was 'clear': 'but it is equally clear that most Liberal Democrats, those in Harrogate at any rate – want to do no such thing' (Ibid.). A united position was at the expense of strategic coherence.

There continued to be residual opposition to any attempt to practically develop Ashdown's Chard concept. His diaries note his exasperation, following an informal meeting of party members: questioning, 'why is it that the rebels always have the best tunes?' There was a sense the growing number of Lib Dem MPs (20 in April 1992, 23 by June 1994) were coming around to the idea of explicit links to Labour. This process of gradual parliamentary acquiescence was familiar to David Steel – a figure who was, at this point, was potentially 'a bit jealous of Paddy because he had a chance to do it in a different way, at a different time' (Leaman, 2016, Interview). His Director of Strategy Alan Leaman recalls that, during this period:

> there was a lot of Paddy touring the country, talking to people. He was very skilled at the 'I'm taking you into my confidence' thing. (Leaman, 2016, Interview)

It did appear that there was some cut-through. By April 1993, an ICM poll found 85% of Liberal Democrat voters would support a Lib-Lab government. An academic survey of Liberal Democrat members showed majority or plurality support for informal policy discussions (76-12), formal policy talks (41-34), locally negotiated electoral pacts (58-28) and a coalition government (57-24) with the Labour Party (Rudig, Bennie, Curtice, 1993). Whether this growing coalescence around a Lib-Lab position was the direct result of Ashdown's intervention, or the Major government's plunge in popularity, is a moot point. But given their equidistance approach in 1992 had been matched by an almost equal split in second preferences for Labour

and the Conservatives, it is certainly plausible the apparent shift among supporters was driven, at least in part, by Ashdown's attempts to reposition the party.

One criticism of Ashdown, following the Chard Speech, was that he put 'too much emphasis on long-term strategies, given the uncertainties of politics' (Riddell, *The Times*, 11/5/1992: 12). Political events, specifically the machinations around Major's approach to the Maastricht Treaty, led to the parliamentary ties between Labour and the Liberal Democrats weakening. The passing of the Maastricht Treaty was a bruising experience for Labour-Liberal Democrat relations. On the one division where Lib Dem votes mattered – the vote on a 'paving' motion, to restart the bill's progress in November 1992 – Ashdown supported the Major government. Ashdown argued that it had sharpened the Liberal Democrats' appeal and showed the possibility of political co-operation, working to establish distinctiveness and political credibility in the long-term (Young (Ashdown), 2007: 30/3/93, 369). But it was wilfully optimistic to see his public line – 'we worked with the government for nine months to ensure Britain's future in Europe' – as anything other than harmful the concept of a Lib-Lab arrangement ('Ashdown Interview', LBC/IRN Archive, 23/9/1993). Certainly, it gave ammunition to those pre-disposed to dampen down inter-party connections. Jack Straw described the vote as 'an historic betrayal by the Liberals for which they will not long, not lightly, be forgiven', Dennis Skinner believed realignment as 'dead as a dodo' (White, *The Guardian,* 5/11/1992: 1; Travis and Wintour, *The Guardian,* 6/11/1992: 2). A key member of Ashdown's office said that 'Tristan Garel-Jones (the Conservative Whip guiding Maastricht through the Commons) virtually lived in the Lib Dem whips office most of the time' and, far from co-ordinating PMQs with John Smith, Ashdown prepared Major with his questions so he could attack the Labour Party position (Ashdown, 2000: 3/11/1992, 199; Phillips, 2016, Interview). Assessing the political repercussions of John Smith's death, Peter Riddell, then a *Times* political commentator, believed Ashdown had been regarded by the Labour leader as 'an irritating outsider who was a bit sanctimonious' (Riddell, 15/5/1994, BBC On the Record Archive). It was not immediately clear whether his successor's relationship with the Liberal Democrats would be, or could be, any different.

Blair and Ashdown, 1994-1997

It was also not widely known that Lib-Lab co-operation had already been discussed between Ashdown and Blair prior to his accession as Labour leader. But it was clear a new leader, emanating from Labour's modernizing wing, would mean further convergence of the two party's electoral platforms. Given that, it is perhaps surprising – particularly given a key by-election was being fought in parallel to the leadership campaign – that links to the Liberal Democrats were not discussed at any length throughout the Labour leadership campaign. The nearest exposition was at a *Guardian*/Fabian Society sponsored conference *Whatever Next?* (in which Blair and Shirley Williams' contributions were carefully stage managed, to avoid clashing (Williams, 2009: 234). A panel of political scientists and advocates from both parties discussed the

idea of a formal pact and its merits, in comparison to more 'organic' ways of fostering tactical voting. There was almost unanimous agreement 'things that smack of deals in smoke-filled rooms' would be counter-productive – Vernon Bogdanor the sole supporter, pointing to the precedent of local agreements in 1950 and 1951 (*The Guardian*, 20/6/1994: 6). Blair's acceptance speech upon winning the leadership was also dissected in two ways: some delegates took Blair's leadership acceptance speech contribution to be 'the best statement of the Liberal Democrat core message I have ever heard', others saw it as an explicit affirmation of a Christian, ethical socialism inspired by R.H. Tawney (Liddle, *The Guardian,* 23/7/1994: 24; Rawnsley: *The Observer,* 2/10/1994: E17).

The arrival of Blair was not viewed as an immediate fillip, and his Chief of Staff is clear that '1994 was a bad year for Paddy' (Leaman, 2016, Interview). The strategic question became 'not just how do you detoxify Labour, but how do you ride this and become part of the broader movement' (Leaman, Interview 2016). Polling conducted by MORI for the *Times,* midway through the leadership campaign, showed the Liberal Democrats would suffer the most immediate drop in support due to Blair's leadership, and their support did fall by 5% (*The Times*, 22/6/1994: 9; Sopel, 1996: 246). However, it was also clear Blair had continued to give thought to the Liberal Democrats in the immediate period following his victory. Campbell's diaries note strategy on 'the Libs' and 'a progressive alliance' as a key talking point when Blair was discussing his potential role as Director of Communications, and he was keen that 'Owen, Jenkins, Williams could support most of what we do' (Campbell, 2010: 10/8/1994). But the immediate short-term effect was a weakening of Ashdown's position. His diaries record it was 'very galling' to see Blair receiving glowing praise for using 'phrases and ideas I was using 5 or 6 years ago'. After his urging Blair to stand in the days following Smith's death, his diaries do not record any contact with Blair. A senior advisor, who watched Blair's acceptance speech with Ashdown, says 'it was like the old Gore Vidal phrase – when a friend succeeds, a part of me dies' (Interview, Phillips, 2016).

One immediate reaction to Blair's election was the vocal support for Blair from Liberal Democrats who had been a senior part of the SDP. Many of these figures' subsequent departure also ultimately had the effect of shifting the centre of gravity within the Liberal Democrats (Glover, Interview, 2016; Liddle, Interview, 2014). Senior Lib Dems who were strongest supporters of Blair – such as Andrew Adonis and Roger Liddle, who would both go on to be key architects of New Labour's policy platform – were critical of Ashdown's early stance, and his decision not to immediately redefine the Liberal Democrats' public positioning (Leaman, 1998: 165; Interview, Liddle, 2014; Interview, Phillips, 2016). Liddle (*The Guardian,* 23/7/1994: 24) described watching Blair's speech not as an exercise in grudging admiration that it was for Ashdown, but instead as a 'moving experience'. The 'A1 Dining Club', an informal group composed of senior figures from the Alliance, was a pressure group consistently pushing for bolder strategic action. Ashdown appeared sensitive to these developments: an intervention by Bill Rodgers in *The Times,* a month following Blair's victory, particularly rankled. Rodgers proclaimed he and many ex-SDP figures were 'fed

up of being in a political backwater', and that Ashdown 'had not struck the right chord yet' (Sherman, *The Times*, 3/8/1994: 2). Privately, Rodgers was telling journalists that 'we (Jenkins, Rodgers and Williams) are interested in Big Politics, many Lib Dems are interested in Little Politics' (Young (Rodgers), 2007: 13/9/94 433). The spectre of potential irrelevance was one that clearly concerned Liberal Democrats. As Ashdown notes in his diaries: 'the press report that I am getting rattled. Probably right, too' (Ashdown, 2000: 3/8/1994, 272).

Blair's reaching out to Ashdown in August 1994 via an intermediary in Tom McNally, a previous advisor to Callaghan in Number 10 and SDP MP, changed the dynamics between the two parties. The two leaders met in September, at Blair's house in Islington, and Ashdown records discussing some immediate practical elements of co-operation – for example between media advisors, over parliamentary strategy and PMQs, and shared briefings on policy direction. This would remain secretive, however, for fear of pushing their respective parties so far that they revolted. The party conferences in 1994 avoided overt discussion of co-operation. But Ashdown began to talk about the restructuring of political opportunities in a way that suggested its increasing likelihood, telling Hugo Young ((Ashdown), 2007, 13/9/1994, 431) that 'at last there is a shift, a rumbling, a shake-up, a crack in the system'. By late September, and a second meeting, Ashdown records that both agreed their end destination to be a formalized agreement before the next election, with Ashdown saying 'the more up front we can make our relationship the better' as 'uncertainty was the killer at the last election' (Ashdown, 2000: 16/9/1994, 279-81). In May 1995, a further meeting between Ashdown, Archie Kirkwood (his Chief Whip), Robin Cook, and Tony Blair gave further credence to the idea that co-operation would involve significant formal ties, and guarantees over the policy commitments on the constitution – a meeting that Blair privately described as difficult particularly as Cook was bullish on proportional representation and its prospects (Ashdown, 2000: 3/5/1994; Campbell, 2010: 4/5/1994).

Ashdown's meeting with Blair in September 1994 had also led to the creation of a new internal structure within the Liberal Democrats to discuss party strategy vis-à-vis Labour. In theory, only members of the 'Jo Group' were aware of its existence – senior figures such as Director of Communications Olly Grender, and Scottish Leader Jim Wallace, were not updated on the group's activities (Phillips, 2016, Interview). Alan Leaman, Ashdown's Director of Strategy, says that its main role was not to ratify Ashdown's decisions but to act as a restraining force and:

> What would normally happen is Paddy would come along and say 'here's what I want to do next'. And he'd lay it all out. And then there'd be a process of pulling him back. Then Bill Rodgers would come to the occasional meeting and say 'you shouldn't trust these bastards (Leaman, 2016, Interview)

Indeed, despite being broadly composed of advisors, strategists and MPs supportive of co-operation, Ashdown's characterization of the meetings in his diaries is often one of being reigned in during key decision-points. When the prospect of ending 'equidistance' was discussed with Ashdown's parliamentary party, it was on the basis both of a 'national consultation exercise' and that he would resign as leader if the 'myth of equidistance' were not abandoned. According to Ashdown, and others present, the parliamentary party was clearly divided, while the party's Federal Executive was unanimous in its support (Ashdown, 2016, Interview; Hughes, 2016, Interview). Ashdown claims to have been annoyed at coverage framing the end of equidistance as the announcement of a pact with Labour. However, the assumption within Labour was that leaks pre-empting the move away from equidistance, and painting it as a clear development towards a Lib-Lab 'pact', came from either, or both, Peter Mandelson and Ashdown (Campbell, 2010: 6/5/1996). This blurred framing was expedient for Ashdown's inter and intra-party strategy. It persuaded his party to mark a break from the pretence of equidistance, while Ashdown could rail against Lib-Lab convergence with specific policy pledges on education and taxation; equally it aimed to convince Blair of a shift change in the Liberal Democrat positioning, without explicitly pledging the party's support for any future Labour government.

Ashdown's involvement of a wide range of voices in negotiations was not an approach Blair shared. While he agreed with Ashdown on the need to build a 'super-structure' around negotiations, in practice he retained an approach that kept discussions closely guarded. There were clearly competing tensions and views within New Labour about the party's approach to the Liberal Democrats. Later when in government, perhaps in part due to a lack of persuasion and discussion when in opposition, this crystallised into a cabinet with a strong majority against the continuing development of 'the project'. Alastair Campbell thought it necessary, when hearing of media discussion of equidistance prior to Ashdown's announcement, to 'talk them down from over doing Lib-Labbery' (Campbell, 2010, 3/5/1995). Clearly, he saw no benefit in these ties being implied or leaked. Campbell, despite working closely with members of Ashdown's team on media matters, did much to dampen down discussion of Lib-Lab co-operation. A story in *The Guardian* in July 1995, again thought to be sourced from Mandelson, called for the Labour constitution to be modelled on that of the SDP. Much of this discussion emanated from a decision by Mandelson together with Roger Liddle (a former SDP member, and advisor to Bill Rodgers during the Lib-Lab pact) to produce a book, *The Blair Revolution*, ultimately published in July 1996 (Mandelson and Liddle, 1996). *The Blair Revolution* was widely taken as a blueprint for Blair's political thinking, and an outline of the party's plans for government. Within its early drafts was a call for an electoral pact with the Liberal Democrats, which was taken out at the behest of Campbell – one reviewer noted that 'where some books are cannibalised, this one has been Campbellised' (Kettle, 1996: 95). An encounter between Campbell and Liddle in July 1995 summed up the extent to which overt comparisons and links with the SDP were welcomed:

> I bumped into Roger Liddle in the central lobby and warned him off doing too much on the theme of Labour becoming like the SDP. I think he got the point. (Campbell, 2010: 20/7/1995, 253)

The Blair Revolution (or, as Campbell christened it, 'Peter's bloody book') exemplified the divide within New Labour, and Blair's unwillingness to unequivocally support those who were pushing a Lib-Lab strategy internally (Campbell, 2010: 23/12/96, 342). The view of Liddle was that it was 'very strange' Blair did not turn up to its launch, and Blair's attempted detachment from the book did not stop his public association with its contents by all strands of the left (Kettle, 1996: 94-97; Milne, 1996: 3-5; Liddle, 2014, Interview). When published – despite its omission from the final draft – the book's thematic scope inevitably led to discussion of coalition. Mandelson, in a promotional BBC interview, was forced to state that it was:

> Absolutely clear that they're (Blair and Ashdown) not interested in pacts or deals, or coalitions, or individuals taking positions up here, there, or anywhere else. What we're talking about is the principled co-operation between likeminded people. (Mandelson, 1996)

The creation and announcement in October 1996 of a Joint Consultative Committee, after a year of Cook and Maclennan meeting one-on-one, was envisaged as part of a two-step process. Firstly, discussions would continue on constitutional and electoral reform. This would lead, in February of 1997, to a joint announcement of shared areas of agreement beyond the constitution. However, within Labour the emphasis was on downplaying the importance of these institutional, formal structures, rather than using them as a launch pad for further action. Campbell's media management efforts went into downplaying the significance of these discussions; in meetings of the committee, apart from Robin Cook, Labour efforts went into obstructing the talks and minimizing positions of agreement. Roger Liddle (Interview, 2014) describes them as 'at once, something and nothing'. In large part, this can be put down to a reassertion of majoritarian instincts as an election approached. What had seemed feasible in the late summer of 1996, in discussions with Ashdown and Jenkins, wilted as the potential intra-party and electoral complications became clearer. By January Blair was contemplating 'just offering Ashdown a seat in Cabinet, as Churchill had done to the Liberal leader, Clement Davies, in 1951' (Seldon, 2004: 272). There were significant fears of the election period being dominated by discussion of proportional representation which would have the effect of dividing Blair's party, uniting the Conservative Party in opposing a change in the 'rules of the game'.

At times, Blair pushed back against anti-Liberal Democrat forces within the elite of his party - for example, Jack Straw's consistent criticism of Liberal Democrats annoyed Liberal Democrats and Blair in equal measure (Campbell, 2010, 8/8/1994; Liddle, 2014, Interview; Rodgers, 2000: 286). But the extent to which Blair was willing to autocratically and actively challenge the perception of Liberal Democrats as equal

opponents to the Liberal Democrats was consistently patchy. Blair's 'Napoleonic rather than a Feudal' style of leadership meant it is perhaps unsurprising negotiations should be kept away from key figures within the party (Hennessy, 2000: 490). Blair adopted a 'horses for courses' approach, which meant those in favour of a Lib-Lab strategy, and the policy areas that would arise from it, were kept abreast of developments (Macintyre, 2000: 389).

At key points the input of figures such as Gordon Brown and John Prescott hindered talks. Seldon (2004: 277) is clear that 'if Brown had supported Blair (on Lib-Lab talks) … the outcomes would have been very different'. Others, including Ashdown, describe Prescott as the ultimate break on 'the project' (Rawnsley, 2001: 193; Interview, Ashdown, 2016; Interview, Liddle, 2014). Immediately following the talks at Derry Irvine's house Prescott made clear his opposition to Ashdown's inclusion in government, promising his resignation if that were to happen. Brown's antagonism towards co-operation was often assumed and pre-empted. But, particularly following the setting up of Cook/Maclennan committee in October 1996, his opposition to 'the Liberals' was made clear – upon hearing of the news of the creation of the constitutional committee, Brown went 'on the rampage' (Richards, 2010: 142). Robin Cook's personal association with the process of constitutional reform was a hindrance to gaining the support of Brown and Prescott: an advocate of co-operation notes that 'one of the principal complications, in Labour terms, is that Cook was largely identified as wanting to make it happen' (Liddle, 2014, Interview). More widely among the cabinet and indeed the parliamentary party, negotiations between Blair and Ashdown were widely dismissed as a ruse to extract Liberal Democrat support, and 'in as much as they knew about it, thought he was just playing along the Liberals to try and help us in an election victory and stop them running interference' (Interview, Powell, 2016). Blair's PPS is clear, even in retrospect, both that there was no clear discussion on the prospect of Liberal Democrats entering cabinet and, regardless of the post-electoral parliamentary arithmetic, that such a prospect was unachievable (Grocott, 2016, Interview). Fear of detachment from the PLP pervades contemporaneous accounts of opposition and the early years of New Labour's government. Campbell (2010: 28/10/1996) was concerned the announcement of the Cook/Maclennan committee 'might just push the party off the deep end'.

Blair's own indecision was also important in stalling co-operation. A key example was the Littleborough and Saddleworth by election of July 1995, which became a Labour-Liberal Democrat battle, with the Lib Dems favourites in the seat. Despite being conducted during a period in which the two parties' connections appeared to be expanding and policies overlapping, it resembled 'a pair of pizza parlours fighting over a franchise on the edge of town' (Kellner, *The Sunday Times*, 30/7/1995: 6). Mandelson, ostensibly a pro-collaboration figure, conducted a strident campaign focusing heavily on the Liberal Democrats' candidate. Following focus groups of potential Liberal Democrat-Labour switchers, Labour particularly targeted the Liberal Democrat candidates' position of a Royal Commission on drug reform. Patrick Wintour (*The Guardian*: 14/7/1995: 13*)* commented that 'so lurid is Labour's portrayal that one expects hypodermic

needles to spill out of Mr Davies' pockets'. This was despite pre-campaign discussions between Blair and Ashdown, in which Ashdown (2000: 9/6/1995, 323) had described it as 'a test case of whether you are prepared to make sacrifices to get the project to work'; an awareness that 'a good second' was the best that could be hoped for; as well as specific, albeit not forcefully enacted, instructions that Blair wished the campaign to be fought on positive terms. This clearly weakened the relationship and levels of trust between the two parties and, albeit seemingly temporarily, between the two leaders.

However, the most unambiguous benefit from the Lib-Lab 'project' was ultimately the clear electoral boost it gave to both parties in the 1997 general election. Analysis by Ashdown put this down to strategic management – 'a nudge and a wink' both in private and in public that ensured electoral campaigning, both in terms of campaign messaging and constituency targeting, did not overlap (Ashdown, Butler Interview, 20/5/1997). Certainly, there were daily conversations between Peter Mandelson and Richard Holme throughout the campaign (Mandelson, 2010: 255-6; Brack, 2016: 210). The extent to which planning activity in the short campaign had a significant effect is a moot point. The rise in Lib-Lab tactical voting in 1997 may well have owed less to the signalling of Ashdown and Blair than the Major government's historic unpopularity. Polling conducted by Chris Rennard, the Liberal Democrat's director of campaigns and elections, showed that Ashdown and Blair campaigning overtly in tandem would have a negative effect (Brack, 2016: 209). The objective that the Liberal Democrat leadership had set out in 1992, to create a political environment where discussion of coalition would be normalised, had not been achieved. Railing against this failure had led Ashdown to place significant weight on polling that, at best, produced a cloudy picture of popular support for a Lib-Lab coalition: David Butler noted Ashdown, in January 1997, 'delighted in the inaccurate statement that 54% would prefer parliament hung', and his diaries note a poll showing 30% support for a Lib-Lab government among Labour supporters (Interview, Butler: 8/2/1997; Ashdown, 2000: 4/1/1997, 499).

Nevertheless, on these more limited terms, the evidence clearly shows the dynamic between the two parties had some impact. While the practice of tactical voting was not all that widespread – the percentage of the electorate who favoured the Lib Dems but voted Labour rose by 0.7% from 1992, and vice versa 0.5%. Had the movement of votes from 1992 to 1997 been uniform, Labour would have secured a majority of 131 rather than 179 (Evans, Curtice, Norris, 1997: 73). The Liberal Democrats, meanwhile, would have won just 28 seats rather than 46. The *Daily Mirror,* the day before the election, urged its readers to 'get practical, vote tactical' and published a list of 20 seats where 'if you're Labour and want the Lib Dems out ... vote Lib Dem here', 18 of which were won by Liberal Democrats – and it was in the closest Con/Lib Dem marginal seats where the effect of tactical voting was clearest (*Daily Mirror*, 30/4/1997: 7; Evans, Curtice, Norris, 1998: 65-79). Stephen Twigg, who defeated Michael Portillo in the most iconic result of

election evening in Enfield Southgate, paid tribute to the 'hundreds of Liberal Democrats, who put aside their national preference, (and) voted tactically for Labour to insure a non-Conservative victory'.[27]

The end of co-operation: Blair's victory to Ashdown's defeat, May 1997-January 1999

On election night, it became clear that Labour had exceeded expectations, damaging the prospect of deepened post-election Lib-Lab collaboration. Any agreement would have to run contrary to the expectation of single-party government. Those involved in both the Labour and the Liberal Democrats were aware the perceived illegitimacy of any coalition government involving the Liberal Democrats 46 MPs after a landslide majority of 179 seats had been produced – Ashdown (2000: 1/5/1997, 557) was 'plagued by the idea it would be seen as an undemocratic, self-serving act'. However, it was Blair, not Ashdown, who was ultimately responsible for any decision on the issue. Prescott, helicoptering over to Blair's constituency of Sedgefield, made it clear that he was not in the mood to countenance any deal with the Liberal Democrats (Interview, 2016, Powell). Robert Harris (*The Sunday Times,* 27/9/1998: 17), the only journalist alongside Blair throughout election night, claimed Blair was 'surprisingly subdued' because he saw the prospect of Lib-Lab co-operation ending with the scale of the landslide. Both Ashdown and Powell also put the rejection of negotiations down to Britain's rushed government formation process. Ashdown partially blames 'the baleful influence of just about the worst constitutional mechanism Britain has, the Downing Street Removal van' and believes, if a week of deliberation had followed prior to the government's formation, the Liberal Democrats would have negotiated more formal layers of co-operation with Blair (Ashdown, Brack, Little, 2015, 454; Ashdown, 2016, Interview). Powell names the decision to avoid involving the Liberal Democrats immediately as one of New Labour's biggest mistakes, arguing it was best to operate such co-operation from a position of strength and 'the resistance would have been at its least because no one was expecting it' (Powell, Interview, 2016).

Though a strand of backbench opinion felt a coalition was unconscionable regardless of the result, there was a settled acceptance that a Lib-Lab agreement would have been negotiated had the parliamentary arithmetic demanded it (Grocott, Interview, 2016). But the election result, while ruling out this type of coalition that had been partially prepared for on both sides, did not end inter-party discussions. Seldon (2004: 274) believed that Blair was 'anxious to show that he had not cynically used the Liberal Democrats', and there was certainly a feeling within the Lib Dems that they had not only benefitted from association with Blair, but been clearly been useful electorally. Ashdown's line that his party would be useful in the operation of a second term government fell on fertile soil since the second term, and the prospects for it, continued to define New Labour's activity. However, the continuing levels of co-operation – principally, the formal movement of the Cook-Maclennan talks from a Joint Consultative Committee to a Joint Consultative Cabinet Committee – always fell short of what had been originally envisaged. Despite being

[27] Footage of Twigg's acceptance speech available at: https://www.youtube.com/watch?v=BVvWE6V9ulE

the strongest institutional result of 'the project', they were in a sense its most symbolic element. Their creation, and their subsequent (albeit extremely brief) expansion beyond the constitution, did little to bolster co-operation. Far from creating the institutional conditions for deeper co-operation, they were broadly seen as dysfunctional. For Liberal Democrat members of the committee, they were 'strange events' which 'did a few things, but it didn't really work' (Hughes, 2016, Interview; McNally, Interview, 2016). Their purpose was, as with Steel and the Lib-Lab pact, a means of constructive engagement as much as an end in and of itself. Blair predicted on election day that 'if you sit on opposite benches of the House then the natural process of politics will mean the drifting apart of the two parties' (Ashdown 2000: 1/5/1997, 556). Powell also believes that 'once we missed it at the beginning it was going to be very hard, frankly, to return to', although with the caveat that 'I'm not sure I thought that at the time, otherwise I wouldn't have participated in the JCC and all those other things' (Powell, 2016, Interview). Many key Liberal Democrats continued to be scarred by the 'bad blood' created by half-formed, and half-enacted, constitutional commitments from the Lib-Lab pact of 1977, as discussion about the prospect of proportional representation for the European parliament got underway (Seldon, 2004: 270; Young (Maclennan), 2007: 12/2/1997, 515).

The irregular meetings of the Cabinet Committee, announced in July 1997 and beginning in September, were defined principally by the lack of enthusiasm by Labour participants. Indeed, in retrospect Ashdown says he 'never thought it would deliver very much, but it was a useful framework to keep Blair on board with us' (Ashdown, Little, Brack, 2015: 454). This lack of support from within the Labour cabinet was a sustained problem, and Liberal Democrats at the time, and in retrospect, could name only Mo Mowlam as someone straightforwardly in favour of fostering closer links through the committee throughout its timespan (Young (Holme), 2007: 19/1/1999, 583). Peter Mandelson's resignation from the cabinet in December 1998 was, as a result, hugely significant, weakening whatever support remained on both sides for co-operation. Indeed, upon Ashdown's resignation a month later, one commentator described him as 'the fourth victim of the Mandelson Affair' (White, *The Guardian,* 21/1/1999: 21). Robin Cook was increasingly seen to be isolated, particularly on the issue of electoral reform. It did yield the creation of the Jenkins committee, which would provide an analysis of the present electoral system and (it was tacitly agreed in its remit) call for proposals and changes to the system for Westminster elections.

The assumption was that the steady creation of a report forged on a cross-party basis would provide the path dependence and momentum to make change seem an inevitability. But as Straw delivered the government verdict to Jenkins' Report (in a speech Blair claimed to have toned down, but was still provocative) Jenkins told Ashdown he had to turn off the television on which he was watching, and his personal relationship with Blair – while cordial – never fully recovered (Ashdown, 2001: 6/11/1998, 325). Blair argued in September 1998, in a fax that led Ashdown to say that it would force his resignation, that he still wanted 'a great progressive alliance for the twenty first century' but that electoral reform, while 'certainly for the Lib Dems the most obvious way' to this objective, was not the only route. Instead Blair

suggested a delay, strengthening of joint co-operation and local deals to secure the position of 15-20 Liberal Democrat MPs and insulate them from potential electoral pushback (Ashdown, 2000: 11/9/1998, 257-60). Instead of the existing constitutional reforms New Labour had introduced leading naturally to electoral reform, he believed the public was 'constitutionally satiated', and that a referendum on electoral reform would be lost. Blair's letter to Jenkins, making it clear that his proposals were unlikely to be swiftly taken up by the government, cited both institutional and intra-party difficulties: the case for reform needed to be made 'within government for the notion of co-operation, and its value'.

The expansion of the Joint Cabinet Committee's remit was recompense for the abandonment of the Jenkins Report – Lance Price (2005), at the time Labour's Deputy Director of Communications, recorded Blair saying that he did not want 'co-operation with the Lib Dems to crumble away after our body swerve on PR'. Ashdown also appeared to believe the abandonment of a referendum on proportional representation was the final nail in the coffin for fruitful Lib-Lab negotiations but, given the amount of political capital invested in a road half-travelled, it could not be abandoned. As a result, Ashdown's rationale to Blair was 'since you have done less, I will have to do more … and see if I can use Jenkins, even in its very weakened state, to wind things on' (Ashdown, 2001: 3/11/1998). The sense that momentum, and the need for negotiations to give renewed purpose to Lib-Lab relations, was palpable both in accounts of the talks and their public announcement. The committee's widening to areas such as 'health, education, modernizing the welfare state and European integration' was viewed contemporarily as significant, both inside the parties and outside. But within Labour the move was, remarkably, not discussed formally in cabinet. The Liberal Democrat Parliamentary Party, Federal Executive and Federal Policy Committee also felt 'bounced' into an agreement, and prompted significant internal tension with a 'furious' national party. According to Ashdown, long-term supporters of his initiative in the Jo Group were also against. MPs felt Ashdown's language did not preclude the possibility of merger, suggesting that their party was increasingly being subsumed by New Labour rather than achieving desired constitutional concessions (White and MacAskill, 1998).

Yet despite the furore, in practical terms Blair clearly saw it as little more than a symbolic concession – one that was likely to have significant party political, but very little public policy, effect. The specific mechanics, which some Liberal Democrats (most prominently Simon Hughes) questioned in private and public, remained hazy. Blair, retrospectively talking about Lib-Lab politics, said that:

> I know there's some dispute about this, but my recollection very much was that they were prepared to cooperate on constitutional stuff but not on public service reform, and, for me, you know, you have to have both. (Blair, 2013)

Blair either feigned not to be aware of why Ashdown needed concessions on electoral reform to progress, or had grown impatient of an obsession with constitutional minutiae. A recurrent feeling among senior Liberal Democrats was that he had no feeling or patience for the party's specific character and political priorities. And, as with the original creation of the Cook-Maclennan talks in 1996, Labour's operation expended as much energy playing down the importance of the talks as the Liberal Democrat leadership did emphasising their significance and evidence of a recurring 'slip between what Blair says and what Campbell actually does' (Price, 2005: 53). The way in which this development was portrayed was as a negotiating victory for Blair, a *Times* leader (13/11/1998: 23) commenting that 'The closer the two parties become, the easier it will be for Mr Blair to achieve what he has always wanted – a realignment of the centre-left, without the need for PR'. It was immediately clear the increased scope of the Consultative Committee was illusory. Ashdown's resignation followed inevitably from his failure to extract key constitutional concessions necessary to make the journey worthwhile.

Conclusion

Institution-Facing Constraints

Dunleavy (2009: 626) argues the Cook-Maclennan agreement was 'the most consequentially significant and wide-ranging constitutional reform document ever agreed between two major UK parties across the twentieth century'; Ingle (2008: 136) has observed that 'although history may have overlooked the fact, Ashdown's strategy turned out to be very successful vis-a-vis the enactment of party policy'. But an audit of Liberal Democrat influence on Labour policy in government and opposition, and the (ultimately limited) structures created, would offer little more than a partial understanding of what 'the project' was about. The repeated refrain, and for Ashdown the eternal crux, was both a need to change the political culture of Britain, and the institutional rules. This meant two clear goals. Firstly, the Liberal Democrat objectives on electoral reform, and ensuring they were broadly supported by New Labour in government and opposition. And, also, long term changes in the structure of party politics, so that his successors saw themselves as inheriting a party that was a constituent part of a long-term centre-left project.

Both aims were, at best, half fulfilled. Ashdown was clear in July 1997 he felt he had already secured 'a new, less confrontational culture in British politics'. David Miliband, then Head of Blair's Policy Unit, felt 'Blair's interest (in Lib-Labbery) was much more in the philosophy than the mechanics' (Young (Miliband), 2007: 15/9/1998, 572). The Jenkins Report, which proposed an AV+ system of semi-proportionality, was ultimately left – as Jenkins (1998) noted of previous legislative efforts to reform the electoral system – to 'lie mouldering on the shelf'. As Jack Straw set out the government's reaction to the reform in parliament, in a tacit rebuke to a report he damned with faint praise, he noted that 'those who win form a Government, who have power over those who lose' (Hansard, HC, 5/11/1998, v. 318, c. 1039). Fear of electoral defeat,

and subsequently the difficulty of a second victory, is a key explanation for a lack of radical zeal in the early years of New Labour's government (although, questioned off the record in 1997, Blair admitted that he believed predictions of a big Labour victory 'more than he let on' (Butler, Blair Interview, 17/7/1997). But equally, the continuing expectation of single-party victory fundamentally undermined calls for reform. All this did few favours to Liberal Democrats hoping New Labour would embrace institutional change.

Ashdown's question asked with increasing frustration in private, and in public to demonstrate his growing disconnect, was whether Blair was 'a pluralist or a control freak'. The 'Blair Paradox', which Marquand outlined in 1998, was that he was both at once. Radical constitutional commitments were made and delivered without a driving belief in their necessity. The working assumption was that radical changes committed to in the early years of government could beget a loosening of New Labour's centralizing ethos, generating 'a dynamic of its own, carrying the transformation further than its authors intended or expected' (Marquand, 1998). Marquand (1999: 1) felt 'the architecture of British democracy … the web of understandings and assumptions that tell its managers who they are and how they ought to behave, are back on the agenda'. This is partially true: while Blair was a continuing advocate of first past the post, he did see the benefits of electoral co-operation and felt that it could be used as an electoral benefit. But it was for Labour gain, as a means of cementing single-party governance. The basis of co-operation was that it was on a tactical manoeuvre to neuter and engulf the Liberal Democrats. According to Chris Mullin (2011: 23/7/1997), Blair told his parliamentary committee of backbenchers that co-operation 'makes it easier for Liberal voters to switch to us in the West Country and, if we lost a few votes to Liberals in places like Richmond, so what?'

Ashdown based his political strategy in part on encouraging tactical voting, because 'it all does depend on people accepting the hypothesis that coalition politics is better than one-party politics' (Young, 2008: 370). His privately encouraged Blair to 'create the expectation of co-operation to encourage tactical voting' (Ibid. 337). In this sense, it was a success for Ashdown: tactical voting did ultimately have a significant effect in 1997, and voters were willing to think beyond the two-party system to give his party a greater foothold in parliament. However, this was third party progress within the constraints of a two-party system. It was dependent upon a positive strategic symbiosis with the Labour Party that was inherently restrictive, and ultimately short-lived. A persistent criticism of the Liberal Democrats' political strategy throughout Ashdown's period as leader was the charge of self-aggrandisement by a party whose 'importance can easily be exaggerated, not least by themselves' (Riddell, *The Times,* 11/5/1992: 12). That is an unfair characterisation – Ashdown was aware the job of a Liberal Democrat leader is to 'tack to prevailing winds and take advantage where they can' (Leaman, 2010: 68). Ashdown (Interview, 2016) was consistently aware that his political fortunes were dependent on Labour, 'the polar point around which you had to gather, because of its dominance'.

Viewed in terms of an inherited historic narrative, or as an attempt to secure game-changing reform, it is hard to view Lib-Lab politics as a success. But as a method of advancing his party electorally, and a method of adaptability to changing political circumstances, its success – in terms of parliamentary seats and political oxygen for his party – is difficult to question. Ashdown's (2016, Interview) claim that 'the project' 'laid the groundwork for the biggest expansion the party has ever seen' is hard to dispute. Ashdown was able to carrel his party into a commitment to abandon the pretence of equidistance between the Conservatives and Labour, and then to begin formal channels of co-operation. He also never fully ruled out the idea of merger as an end destination, though claims to have made clear that:

> This will never happen under me, but if we have the habit of co-operation in government, if we jointly put up with the pressures of government, who knows – at the end of that process you may have created enough amity between the parties for that to happen. (Ashdown, 2013)

It also showed the extent to which co-operation was a road half travelled, a strategic staging-post Ashdown himself would struggle to retreat from. Ashdown's objectives were, ultimately, unachieved. Ashdown never convinced Blair to think pluralistically. The political implications of a formal and extended working relationship between New Labour and the Liberal Democrats can only be approximated. That they should be approached as a failure of inter-party negotiation may seem overly reductive, given that 'Lib-Lab' politics developed and stretched the institutional mechanisms of British politics in some unprecedented ways, while both parties were in opposition and government. The journalist Steve Richards (*The Guardian*, 10/8/1999: 16) noted, upon Ashdown's resignation, that 'Blair has made the Liberal Democrats relevant when he could have swallowed them alive'. Instead, through a gradual realization Liberal Democrat and Labour objectives were irreconcilable, Ashdown's strategic aims suffered a slower, but no less painful, death.

Party-Facing Constraints

David Steel (Interview, 2016) is clear on the reason for the resignation of his *de facto* Liberal successor, Paddy Ashdown. Steel says Ashdown told him that towards the end of his leadership he was 'miles ahead of his party, and that's why he decided to throw his hand in as leader. They weren't prepared to follow him in the direction he was going'. Certainly, Ashdown felt he was unable to stretch his party's acceptance of co-operation any further than he had, without concrete compromises that Blair was either unable, or unwilling, to give (Ashdown, Interview, 2016). Ashdown was unable to bequeath Blair a Liberal Democrat leader who would develop channels of inter-party co-operation, or even continue pre-existing routes of co-operation. Both Labour and Liberal Democrats note Charles Kennedy's leadership qualities, while putting his abandonment of Lib-Lab politics down to, variously, strategic unwillingness or incoherence (Ashdown, 2016, Interview; Leaman, 2016, Interview). What is more significant in the dynamics of the 1999 Lib Dem

leadership contest is the lack of any candidate willing and able to run in full support of Ashdown's strategy, despite his continued popularity (Francis, 2010: 93-95).

Maintaining a connection with the Liberal Democrats appeared not to require any co-operation on electoral reform, merely the continual promise of it. Yet there was a limit: dragging on the promise of a referendum until after Labour's first term, across three electoral cycles and into Labour's anticipated second term, ultimately meant Blair would have to do without the continued support and presence of Paddy Ashdown. And Ashdown's leadership, along with the chimera of electoral reform, provided the two necessary conditions for Lib-Lab politics to continue. Ashdown, in retrospect, is clear that 'the moment this didn't succeed, as this was my primary strategy, I would have to stand down' (Ashdown, 2016, Interview). Ashdown put an ever-higher price on his leadership and held his resignation as a key bargaining chip (Ashdown, 2000 10/5/95 319; 2001: 331, 11/11/1998). In a clear echo of Jo Grimond's call for Liberals to 'march towards the sound of gunfire', Ashdown described his political strategy as 'fix bayonets and charge. I don't have the concept of the right time. I can never wait for it. I would always try to make [political forces] do something else' (Riddell, 2003). Often, this meant what many thought was an overemphasis on fixed strategic aims within a political landscape in constant flux (Hughes, 2016, Interview). Ashdown saw this as not just a trait of his leadership, but an inherent role for Liberal leaders and:

> coming from a party that had Jo Grimond with this idea, Jeremy Thorpe with this idea, David Steel with this idea. And here was given to me the best opportunity a Liberal or Lib Dem leader to pursue this as leader. It would have been a dereliction of my duty as Lib Dem leader were I not to pursue this. (Ashdown, 2013)

Consistent Lib Dem advocates of co-operation began to lose faith in the project, as Blair remained unwilling or unable to accede to their central requirement of electoral reform. Key players and observers mark the day after the general election landslide, and the initial post-election period, as the point at which the prospect of a strong Lib-Lab agreement fell apart (Ashdown, 2016, Interview; Leaman, 2016, Interview; Powell, 2016, Interview). But Blair's confirmation he planned to downplay the Jenkins Report in September 1998 was the first time, according to Ashdown's diaries, when he saw the prospects of realignment reach the end of the road (Ashdown, 2000, 11/11/98 257-59; Ashdown, Brack, Little, 2015, 454). This speaks to Liberal Democrat priorities, and the extent to which the promise of proportional representation was a *sine qua non* for any lasting agreement. Ashdown was aware of the need for consultation, and the inevitable conflict between intra-party conciliation and strategic clarity. Indeed, he told David Butler it 'wasn't necessary for a party to love their leader, but it is rather necessary for a leader to love his party' but he was seen to be 'torn between his desire to be unlike Sir David (Steel), by keeping in close touch with the rank-and-file, and his national ambitions' (Butler Interview, 18/02/97; Riddell, 1994: 18). Ultimately, Steel

(Interview, 2016) felt, this led to a strident attitude well beyond anything Steel himself had displayed as leader.

In Blair's case, soothing concerns about the Lib-Lab dynamic was often prioritized over any attempt at coercion or persuasion of senior cabinet colleagues. Hugo Young noted in July 1998 – four years after negotiations with Ashdown had begun, and during a crucial period where the possibility of a referendum on electoral reform was being seriously discussed – that 'few in his government have any idea why he is doing any of this stuff … his grasp of the bigness of the picture is unique to him' (Young, 1998:16). At key points – the creation of a formal Lib-Lab consultative committee, immediately following the general election result, the announcement of the Jenkins Report on electoral reform – reticence among critics hardened to direct and clear opposition. Just as Steel had repeatedly 'bounced' and coerced an unwilling party so Ashdown, accruing goodwill in the early years of leadership, chose to expend it on pursing Lib-Lab accommodation. Blair's intra-party strategy was, on the other hand, based around circumventing dissent and delaying key confrontation. When Blair used *ex cathedra* pronouncements without consultation, such as on the creation of a Joint Consultative Committee, this caused problems within his cabinet and parliamentary party (Mullin, 2011, 18/11/1998). But, generally, Blair's priority on the big decisions regarding his party's relationship with the Liberal Democrats appeared to be to pre-empt and delay the inevitable pushback against a strategy, which, at times, he seemed wholly isolated in pursuing.

Reform of the Labour party and the idea of co-operation were related causes, and themes Blair and Ashdown (and, indeed, opponents such as John Prescott) partially interlinked. The General Secretary of the AEEU Union, Ken Jackson, observed that

> Modernisation is not the same as ditching the Labour Party. Yet that is what some people seem to think it means. They would rather have a middle-class army of technocrats than a party of working people. They would rather merge with the Liberal Democrats than keep the link with the unions. (BBC News, 14/1/1999)

This was a key split among self-professed modernisers within the party. The two clearest tracts advancing undiluted modernization, Liddle and Mandelson's (1996) *The Blair Revolution*, and Philip Gould's (1998: 398) *The Unfinished Revolution,* both contained calls for Lib-Lab co-operation;[28] key advocates of a broadly defined modernization such as Jack Straw, Gordon Brown and Alastair Campbell, were significantly more antagonistic to the idea (Richards, 2010: 142; Seldon, 2004: 270; Wager, 2017). From Blair's first significant meeting with Ashdown in 1993, while Shadow Home Secretary, Blair was acutely concerned about internal opposition to Lib-Lab connections of any sort, given the level of hostility that continued to exist within his

[28] Though references to an electoral pact were removed from the final publication of Liddle and Mandelson's book, they were widely reported.

party (Ashdown, 2000: 242, 1/12/93). Exponents of Lib-Lab politics and constitutional reform in the mid-1990s were aware their cause had little support either in parliament or in the wider party (MacDonald, Interview, 2016). In the run up to the 1997 election, Ashdown commented that 'the mismatch between Labour as reflected in the words of New Labour and as it exists on the ground – as I know it to exist – is immense, and Tony Blair understands that' (Young, 1997: 21). By 1999, Ken Livingstone said that, should Lib-Lab co-operation and merger be put to a conference vote (as, it was understood by Blair's inner circle, it would have to be), he would be surprised if it mustered more than 20% support (BBC, 1999; Powell, 2016, Interview). Clearly, this element of party modernisation, bringing with it the toxicity of the SDP and the tribal loyalties of the Labour party, never came close to gaining the traction Clause IV reform achieved.

Blair and Ashdown professed and partially demonstrated a loyalty to, and a detachment from, their respective parties. Each held an acute awareness of (and frustration with) the intra-party obstacles to an ever-closer relationship between the two parties. As a result, negotiations, just as with Jenkins and Steel, were noticeably detached from key elite figures who could act as an immediate roadblock. Views representative of key strands of their parties that were less enthusiastic were sidelined, though Blair's continued reliance on senior figures ardently opposed to any co-operation (and who, subsequently, Jenkins came to regard as intellectual and political lightweights) concerned senior Liberal Democrats (Campbell, 2014; Leaman, 2016, Interview). Talks, when they eventually were expanded beyond advocates, led to increased levels of disconnect and disillusionment within their respective elite and parliamentary parties. Senior advisors within both leaders' offices feel the level of tribal opposition was severely underestimated. Ashdown claims 'Blair hit a rock first. But I could have hit a rock next' (Ashdown, 2013).

Blair – defending 'existing institutional equilibrium'?

The hurdles to a comprehensive agreement – either a pre-electoral agreement, or a form of post-election coalition – were, therefore, clearly organizational and institutional. The key is whether the agency of the politicians involved could have worked, given the political will, to overcome these barriers; indeed, principally, whether Tony Blair ever held the desire to follow through with an inter-party strategy that would have created short and medium-term pressures on his leadership, for longer-term gains. Lib-Labbery was a manifestation and a symptom of Blair's 'big tent' approach. New Labour wanted to, in the words of Philip Gould (1998: 6), 'remake the political map by establishing new dividing lines, new prisms through which politics was perceived'. But, instead of piecing together a new coalition with new party labels it would always be 'a new party trapped within the structures of the old, like a butterfly trapped within its own crystalis' (Gould, 1998, 240).

Analyses of New Labour's 'modernization' have noted its rejection of aspects of its past, and a selective rejuvenation of areas that complemented its claims to novelty and radicalism. But during key formative

periods in opposition, and in historically-weighted speeches before 1997 – in particular the bold setting of a Fabian Society 1945 Anniversary Lecture, which senior advisors claimed acted as the best guide to Blair's intellectual thinking – Lib-Lab politics was a principal theme (Miliband, Butler Interview, 5/12/95). Blair emphasized a linkage between liberalism, and his concept of socialism, as 'intellectual cousins' (a relationship which, as Fielding (2003) noted, suggested an equal footing). This was the language and rhetoric of centre-left co-operation, while neatly avoiding the institutional disruption of formal electoral co-operation or electoral reform. Electoral reform could not only be irrelevant to Blair's desire for a 'big tent' political party, but also incommensurate with the type of hegemony he envisaged for the centre-left. Blair's Chief of Staff, Jonathan Powell, spells out that:

> we wanted to eat them … I don't know what they wanted really. I guess they wanted to carry on, because of course electoral reform made little sense unless they wanted to carry on as a minority party. Our idea was to form a great, big progressive party so you wouldn't have needed electoral reform. Indeed, it might have been a setback. (Powell, 2016, Interview)

Blair's adoption of this language of co-operation as a rhetorical device was, therefore, unproblematic ideologically and politically. But Neil Sherlock and Neal Lawson, consistent intellectual and political advocates of a 'progressive alliance', wrote despairingly (in a book with a foreword by Jenkins) that their problem with New Labour was that 'what was never 'modernised' was the notion that there was one party, one history and one future' (Sherlock and Lawson, 2001: 6). Tony Wright, a firm backbench advocate of electoral reform, felt at the time that a radical constitutional reform agenda could fill the perceived void in strategy that existed in opposition following Clause 4 (Young, Wright Interview, 2008: 479, 2/5/1996).

It speaks to Blair's strategic priorities that, despite his clear advantages it would have in encouraging Lib-Lab connections, the constitutional agenda played a muted role in his opposition pitch. It was clear the aim was ultimately always to absorb Liberal Democrats within the existing coalition that was New Labour. Blair's Fabian call to liberalism, hailed at the time and retroactively as emblematic of Blair's determination towards co-operation, can be easily misconstrued (Blair, 1995; Richards, 1999: 16). Perhaps knowingly, Blair never clarified whether he envisaged liberalism and socialism existing in partnership or under one party label. It is better to think of Blair's rhetoric as 'a leader trying to reach out beyond the traditional boundaries of his party', while also maintaining a tight grip on his own (McFadden, 2013). It was a case study in, as Riker put it, 'managing and manipulating and manoeuvring' to achieve optimum outcomes (Riker, 1986: ix). The management of inter-party talks to avoid discussion of institutional rule-change, altering the political questions for the Liberal Democrat leadership so co-operation was achieved without the key demand of electoral reform; and the electoral manoeuvring that played a small (but significant) role in ensuring the party's majority.

This is notable, for a Lib-Lab agreement was an example of the bold strategic action that Blair was keen to associate with his leadership, as well as potentially enabling and signifying a clear movement towards the type of politically and strategically flexible social democratic party Blair wished to create. As Hugo Young (1998: 16) noted, a Lib-Lab coalition appealed equally 'to Blair the reformer and Blair the big-picture strategist'. When discussing the possibility of Liberal cabinet ministers and possible merger with Campbell (2010, 730, 26/4/97), just over a week before the election, Blair had 'the Clause 4 glint in his eye'. Alastair Campbell worried that, 'once Clause IV was over, the drama would be replaced by a 'so what?' factor' and, indeed, felt as the election drew nearer the 'internal dynamics were tending to make [Blair] a bit defensive, take fewer risks, settle for the centre of gravity' (Campbell, 2010: 157 3/3/95, 457 1/6/96). But viewed as a further step towards modernization, and a sidelining of the left of his party – as it was, by both ardent exponents and opponents of co-operation – its benefits were ultimately only temporarily achieved. As Jonathan Powell (2016, Interview) notes, 'there is a limit to how many radical things you could do, and in the end it didn't happen.'

Ashdown – disrupting 'existing institutional equilibrium'?

Jenkins and Blair apparently tussled over who had come up with the phrase 'the progressive century' (a concept, Ashdown says, that 'may have been a revelation to Tony, but was something that had driven the Liberal Democrats for the best part of thirty to forty years' (Ashdown, 2013)). But Ashdown and Jenkins equally laid claim to the metaphor of Blair carrying an expensive vase towards the end destination of government – consistently fearful and paranoid about 'the narrowness and difficulty of winning at all' (Ashdown, 2013; Campbell, 2014; Young Ashdown Interview, 457, 27/11/95). Blair was consistently of the opinion that 'there was too much complacency around' in government and opposition, and he told Jenkins, three weeks after the election, that 'the vase arrived intact, but now I feel I am carrying a new one – altogether more valuable!' (Campbell, 2010, 115; Campbell, 2014, 709). It was unclear whether the Liberal Democrats place within Labour's strategy would be as insurance against a downturn in Labour's popularity, or as a proactive change in the party's approach and an evolution in New Labour political identity.

When asked to assess Blair's strength as a Prime Minister in 2003, Ashdown remarked that 'great prime ministers, in Roy Jenkins's phrase, change the weather. I don't think Blair has changed the weather' (Riddell, *New Statesman,* 6/10/2003). Ashdown, Blair and Jenkins all used the lexicon of a 'progressive' or 'radical' century'. But the Blair-Jenkins-Ashdown dynamic epitomizes the problematic nature of 'progressivism' as a creed and historical concept. For Blair's New Labour, association with progressive causes 'provided a way of critiquing current Labour politics, while maintaining fidelity to its traditions' (Robinson, 2016: 118). While Jenkins was closer to Blair personally, at least at the outset of Blair's leadership, his idea of what progressive politics entailed in practice was more sharply aligned with Ashdown. Both Jenkins and Ashdown saw electoral reform as a means and an end, interested in 'creating a pluralist system of politics,

not in preserving the present structure in a new configuration' (Ashdown, 2000: 1/12/1993, 243) As a result, Blair's talk of the merging of the two parties consistently troubled Ashdown (2000, 2/5/1997 560; 2001, 6/5/1997 6). The inherent balancing act between having the same project, while retaining distinct identities, was one Blair wished to answer through a move towards the Liberal Democrats' absorption. It was a question Ashdown was never able to fundamentally resolve, and a question whose importance only increased in line with levels of co-operation – so much so that it became increasingly important to Ashdown that he and Blair 'pretend to treat each other as equals' – a far cry from the equality of status that Blair had hinted at in 1995 when speaking of the importance of Lloyd George, Beveridge and Keynes (Ashdown, 2001: 322 3/11/98; Blair, 1995).

Despite his effort to 'reach beyond what appears to be the possible to make things happen' (Ashdown, Interview: 2016), the constraints of the political system meant there appeared to be little significant long-term change in the structure of political opportunities for his party. Given this form of institutional change – 'the restructuring of the political world so you can win' – was the key aim of Paddy Ashdown's leadership, his strategic success has to be questioned. However, just as with is quasi-predecessor David Steel, the intra-party strategic battle he conducted with significant swathes of his party was won. As Voeten (2011: 275) has pointed out, the effectiveness of strategic actions is often conditional on the actions of others. Moves towards Labour often had to be matched by increasing differentiation, creating tensions with Blair and New Labour that (particularly in opposition) caused inter-party co-operation to be put into question. Blair (2010: 121), argues retrospectively that the need to placate strains of Liberal Democrat opinion, and prove independence and convergence were compatible aims, meant the question was 'is this cooperation for real?' Blair also pressed far more heavily and consistently than Ashdown on the idea of a formalized pre-electoral coalition that could work on a seat-by-seat basis. This was something he suggested both prior to the 1997 election, and as a means of maintaining inter-party relations once electoral reform had been sidelined. Campbell (2010: 27/12/1995) recorded that, over time, Blair got 'a bit fed up with Paddy, who had to realize there was always the other strategy, which was going full frontal for the Libs'. Ultimately, in attempting to balance integration and separation, Ashdown ran out of road.

CHAPTER SEVEN - Conclusion: Roads Travelled and Routes Forward

In retracing what happened in each of the cases examined, this thesis aims to be both inductive and systematic. Each flashpoint of inter-party activity provides, in the lexicon of an increasingly qualitative turn in the comparative study of government and coalition formation, a 'puzzle' to be explained. The framework introduced here suggests an analytical route through which we can understand how British politics reacts to the idea of co-operation and, in so doing, contributes to our understanding of the British Political Tradition. By positing the dynamic interaction of a path dependent historical institutionalism and strategic agency through an extension of the concept of heresthetics, it advances discussion about what can, or could, lead to the disruption of a predominant majoritarianism that continues to pervade party politics in this country. This conclusion first summarises each analytical narrative. It then looks at the research questions: how parties and institutions operate as constraints, and how they manifest themselves, and whether the strategic position of actors, combined with their strategic and rhetorical ability, determines leaders' and elite actors' willingness and ability to use co-operation to bring about a more pluralistic political system. It is also valuable to take a step back, and discusses what the implications might be for the British Political Tradition, and what this approach adds to the concept of heresthetics. Finally, this conclusion considers the contemporary applicability of this study in Britain and elsewhere, and how the framework posited here could be built upon – the theoretical advances that can be used to understand the dynamics of inter-party politics in the British case.

The cases summarised

The role a diminished Liberal Party would play in the post-war political landscape was unclear as the wartime coalition ended in 1945. Unhappily for Liberals, their diminished place in the party system had been cemented by the time Clement Davies rejected the offer of a place in Churchill's cabinet in October 1951. Toye (2010) has suggested Liberal voters were the primary, and underappreciated, target of Churchill's infamous Gestapo Speech in 1945. Chapter 2 takes this further, and suggests that garnering Liberal support was a key driver throughout Churchill's period as Leader of the Opposition. The extent to which public tussles over inter-party co-operation undermined the Liberals' drive for independence, and helped entrench the two-party politics that lasted until 1974, is not easily calculable. But the Liberal leadership rallied against co-operation – and therefore, any possibility of structural changes to the party system that could boost their competitiveness – on the grounds, as Davies put it, of the existential danger of the 'Tory Spider'. That a fragmenting liberalism was cannibalised after 1945 from the right rather than the left was an extension of an inter-war trend. But it was by no means inevitable, and was a clear strategic aim within the Conservative Party. However, the personal archives of Churchill and Lord Woolton reveal an internal battle over Conservative identity played out through the proxy of Liberal-Conservative co-operation. The party's archives suggest this tension was also an organisational split. Churchill as leader and

key allies saw co-operation with the Liberal Party as important. Conservative Central Office and Woolton were less supportive. This was premised on different interpretations of the party system and the structural place and role for a third party within it.

While this grinding down of Liberal strength was a long-run process that culminated in electoral success for the Conservative Party in 1951, by 1974 the dynamic between the two parties was ultimately defined by failure. However, Chapter 3 argues the post-election negotiations of March that year precipitated a discussion about inter-party co-operation that only ended following a conclusive, if slim, Labour victory in October 1974. It was clear from internal memos that almost all the senior figures in two largest parties had not taken a sustained Liberal resurgence seriously. All this changed after the February 1974 result. Robert Armstrong's thorough contemporary account of the Heath-Thorpe negotiations, released in 2010, showed Heath's decision to pursue post-electoral co-operation was – despite some later claims from those involved – viewed seriously at the time. The nature of any agreement that would be perceived and tolerated as legitimate was important, and provides an insight into how political elites interpret inconclusive results in Westminster's majoritarian system. Accounts of the negotiations suggest Heath's attempts to frame the election as an 'anti-Socialist' victory were never close to success. Perhaps more significant were the Conservatives' subsequent internal strategic discussions about embracing the concept of coalition. What stands out from the archives is how the idea of an electoral pact and, more seriously, overt support for coalition government was strongly debated. A moment where inter-party co-operation was a real possibility was nullified by the interaction of Wilson's refusal to countenance discussion of coalition, Heath's inability to provide a compelling electoral case for a form of national government, and Thorpe's attempt to simultaneously call for political co-operation while riding an anti-political wave.

Some of the mechanical similarities with 1974 were notable, and noted, as the Lib-Lab Pact was bargained and sealed. But in March 1977 there were different political circumstances and a different outcome, the synthesis of seemingly mutually advantageous objectives leading to the formation of a limited agreement on co-operation. Kirkup's (2012) study of the Lib-Lab Pact points out the importance of the synergy between the two leaders, while also arguing the pact should be viewed as an isolated event distinct and separate from Steel's later leadership of the Liberals into the Alliance. Analysis in Chapter 4 suggests that Callaghan's success and Steel's failure – the institutional stasis that resulted, and Steel's inability to extract meaningful constitutional concessions – is only clear when placing the strategic objectives of both party leaders in a wider context. Steel's stance in private negotiations, and public pronouncements willing the agreement to be more than the sum of its parts, show he hoped co-operation could, and would, beget further co-operation on the centre-left. The influence of Michael Foot was key to Labour's negotiations, setting and maintaining a firm line on the consultative commitments and constitutional changes that explain why Steel was so supportive of an agreement in the first place. Foot's insistence on, and achievement of, minimalistic terms suggests that the seeming success of the pact, and the initial goodwill surrounding it,

disguised the existence of real winners and losers. That the Liberal Party extracted little of any medium to long-term value from co-operation perhaps unsurprising – as Steel (2017) argued, when commenting on the Conservative-DUP confidence and supply negotiations of June 2017, 'the tail should not expect to wag the dog'. However, the Lib-Lab Pact does show that any attempt to extract strategic and systemic objectives from a tactical, survival-driven exercise is fraught with difficulty for smaller political parties.

Roy Jenkins' judgement was that the Lib-Lab Pact, far from laying down the institutional groundwork for further co-operation, made co-operation between the SDP and Liberal parties more difficult. If the creation of the Alliance speaks to a lack of any continuity across each flashpoint of co-operation – despite many of the same key actors – it also reaffirms that intra-party factors, and the management of discord and disagreement, are key to understanding how inter-party co-operation develops. The remarkable prescience of Steel and Jenkins' private post-1979 strategy of co-operation and eventual amalgamation suggests elite agency and leadership can play a key role in defining the path of political co-operation. It also shows the importance of garnering elite-level and wider party support for co-operation – a gradualist process made easier by evidence of electoral success in the formative period of the SDP. The SDP and Liberal archives show that this process within both parties, despite retrospectively appearing so, was far from inevitable. Steel's ability to guide his party from a position of reluctance to overwhelming support for the Alliance was achieved through its clear electoral momentum. But Chapter 5 also casts doubt on the significance of Steel and the Liberal Party in the creation of the SDP. It is clear from interviews with SDP MPs that there was a lack of clarity about how the new party would interact with Liberals but there was, at least initially, limited enthusiasm for the type of co-operation ultimately pursued. Still, Owen soon found it difficult to obstruct burgeoning, and soon surging, support for comprehensive co-operation between the two parties. It also shows the role that co-operation can have in defining the character of the electoral and political offer of parties – SDP-Liberal co-operation was both a proxy and a vehicle for intra-party tension within the SDP, because it was the key to defining the party's electoral identity.

The continuing role for key figures within the SDP in the politics of the 1990s is unsurprising, but the significance of Roy Jenkins suggests significant overlap between his vision for the SDP and Tony Blair's New Labour. Yet the ultimate rejection of the Jenkins Report also showed a significant mismatch of strategic and political priorities. The negotiations between Tony Blair and Paddy Ashdown were broadly successful for New Labour: the party benefited from tactical voting, and gave little (if anything) away in constitutional terms that had not been put forward by Blair's predecessor, John Smith. In a sense, therefore, these negotiations on co-operation bear a strong resemblance to Steel's failed attempt in 1977 to use co-operation grounded in short-term expediency, as a means towards medium and long-term institutional change. However, Chapter 6 makes clear that Blair did also have some (muddled) medium-term strategic aims, and wanted to achieve significant party system change that involved the integration of both parties in a 'Big Tent' approach. That this never came close to success speaks to a party system in which, just as in

the immediate post-war period, third parties put down enough roots to survive but not enough to prosper without a symbiotic relationship with one of their larger competitors.

Research questions revisited

This thesis started from the assumption that British political discourse is defined in part by a British Political Tradition, and that there are clear reasons for thinking this leads to co-operation being viewed as counter-cultural. This thesis is inductive and reflexive: frameworks can help us understand complex phenomena and draw out key areas of explanation, but subjecting them to the rigours of an empirically-led and historically-driven analysis is crucial. This conclusion seeks to complete this feedback loop, pulling together each case study to assess the validity and usefulness of a framework that looks at both party and institutional barriers to co-operation, and seeks to unite them with an understanding of agency through the concept of heresthetics. This framework helps us isolate some of the causal mechanisms that make co-operation problematic in British politics, and helps understand what political actors hope to achieve when, nevertheless, they co-operate with their competitors.

RQ1a) Do ideational institutional norms exist in British Politics that inhibit inter-party co-operation?

RQ1a posited majoritarianism, and a subsequent aversion to inter-party co-operation, as a near-permanently entrenched and fixed institutional norm of British party politics. We would expect to see elite actors working under the assumption that mooting or developing co-operation would be electorally damaging – in other words, the clear manifestation of Disraeli's oft-repeated (if almost wholly decontextualized) idiom that 'England (sic) does not love coalitions'. In fact, this was not clear in each and every one of the five case studies analysed in this thesis. In one sense, this is unsurprising: these case studies were chosen specifically as significant flashpoints in the post-war period, where at least some of the assumptions of two-partyism were challenged. But the assumption was that these were agency-driven strategic exercises, stifled and undermined by a pervasive desire for single-party government.

In 1974, this cause and effect was clearly reversed. Rather than voter resistance prohibiting the construction of co-operation, supply-side changes in the party system emanated from the perceived desire for a move towards pluralism in the electorate. The Liberal vote share in February 1974 punctured the idea that the Liberals were a perennially latent force in British party politics, and disrupted the assumed permanence of a party system defined by two monolithic parties. What mattered was not just a hung parliament acting as an exogenous shock to Labour and Conservative politicians. It was also the subsequent interpretation of the result as the manifestation of a sea-change in public attitudes. There was a clear feeling within Westminster in the first half of the inter-election period in 1974 that bottom-up demand for change, if facilitated by the Conservative Party's proposal of a government of 'National Unity', could lead to partisan

advantage for the party, halting, if not reversing, its drift under Heath. The same was also true in the period of early momentum in SDP-Liberal co-operation, between the SDP's creation in the Spring of 1981 and the confirmation of the Alliance's formation at the party conferences in the Autumn of that year. It was felt that co-operation could enhance the credibility of the two parties, crystallising and embodying the key message of political change through the party system. Therefore, particularly for Jenkins and Steel, inter-party co-operation was not just static and transactional, a necessary manoeuvre for a third and fourth party under a single-member plurality voting system. The early polling evidence showed this co-operation with the Liberal Party to be at least part of the SDP's early appeal: the two parties in combination were an additive electoral force, winning more votes as a united 'Alliance' than as two separate entities. One surprising element is the extent to which two party assumptions can quickly shift. If there is an ideational underpinning to two-party politics based upon an elite fear that co-operation will be electorally harmful, these flashpoints show it is certainly open to periods of pressure and contestation.

That said, the persistence of two-party politics despite these periods of disruption suggests there is explanatory power in the institutional norm of majoritarianism and single-party government. In each case the internal arguments within political parties, and the public rhetoric of actors who rejected or fought against the idea of co-operation, were imbued with the pathologies and ideational institutional structures of the British Political Tradition. How inter-party bargaining and co-operation fit with the liberal notions of representation and conservative notions of responsibility that characterise critical interpretations of the British Political Tradition is all-important. It leads to three areas where friction exists between, on the one hand, attempts at co-operation and, on the other, politicians' understanding of a dominant political tradition that privileges centralized, single-party government and a party system premised on two-party competition:

1) The assumption that voters are happy to accept lower levels of accountability for a trade-off with the blunt but effective instrument of clear electoral winners and losers pervaded each case study. Verney (1991: 637) described the Westminster Model as a 'doctrine of parliamentary supremacy, which takes precedence over popular sovereignty *except during elections'*. The exception is key – politicians are free to operate uninhibited within the sphere of Westminster unless it impedes electoral choice, and co-operation clouds the clear link between electoral choice and government formation. Both supporters and opponents of co-operation were clearly concerned that co-operation would (and, in the case of the latter, should) be viewed as an illegitimate bypassing of the will of the electorate.

   Internal critics within Conservative Central Office in 1950 argued co-operation with the Liberal Party would be viewed an elite stitch-up; equally, Macmillan, Butler and other supporters of co-operation were worried about the optics of an agreement forged in private. Margaret Thatcher and Keith Joseph as cabinet critics in February 1974 argued Heath was bypassing the expressed

electoral will of the people by negotiating with the Liberal Party. Wilson, too, argued Heath was 'conning' the public through promoting a cross-party coalition. This also shaped the behaviour of both Labour and Liberal politicians unwilling to fully embrace the consultative mechanisms Steel insisted upon within the Lib-Lab Pact's agreement. Following the Lib-Lab Pact, Steel was keen to defend the concept of co-operation, but both he and Callaghan knew a pre-electoral period of distance was necessary if the two parties were to campaign independently and successfully. Steel's concern about the political nomenclature of co-operation was particularly revealing about his fears about its symbolism. Key allies of David Owen within the SDP felt that co-operation with an electoral 'loser' in the Liberal Party undermined perceptions of the party as a fresh alternative, showing them as part of an existing party system rather that a break from it (Thomas, Interview, 2016). Paddy Ashdown's concern that 'cosying up' to Blair without the concrete promise of new pluralistic structures would be seen as undemocratic was well founded – to some he was guilty, as a member of the Liberal Democrat executive put it, of a 'betrayal of everything that Mr Ashdown ever said he stood for' (Grice, *The Independent,* 13/11/1998).

2) There was a widespread working assumption in each case that voters would fit their electoral choices to the core framework of the Westminster Model – a structure determined by two-party politics and the centralization of executive power within one party. Dunleavy (2009: 622) has argued that the British Political Tradition 'in the most brazen fashion … is used by governing elites to justify massive disproportionalities in the way that the UK voting system treats different parties'. This meant that, for the Conservative and Labour parties, discourse around co-operation was framed as an accommodation within existing ways of doing party politics and government – an assertion of their relative dominance within changed circumstances and an unwillingness to concede changes that diluted their relative power. However, this political structure was sustained by more than self-interest. Within the Liberal Party, and the Liberal Democrats, there was a recurrent feeling the party needed to conform to the expectation of the role of parties within this model. This meant operating under the pretence they were a plausible vehicle for single-party government, precluding the interaction with other parties necessary to create formal pre-electoral coalitions. This clashed with the reality of their electoral resources and their place in the party system, as well as with their support for proportional representation and pluralism.

Post-1945, the Liberal Party's decline was widely assumed to be self-perpetuating. Proof of its electoral weaknesses would beget further decline, in a system of party competition designed for two opposing parties. Churchill's rhetorical framing touched upon and amplified this existing structural problem for the Liberal Party. In October 1974, Harold Wilson bet his premiership on a belief that voters would continue to view their electoral choice as a binary one, based on a preference for his leadership over Ted Heath's. Both Conservative and Liberal politicians were just

as aware that appeals to 'National Unity' were hampered by Heath's leadership. Heath's signalling he would invite non-Conservatives into his cabinet was a radical attempt to subvert the assumptions of governance that underpinned this electoral logic. But the pull of majoritarianism, and the questions this sort of coalition would create about the maintenance of his leadership meant he never pursued this with the boldness necessary to succeed. The Liberals continued to claim to be a government-in-waiting, and Thorpe attempted to recreate his surprise success of February rather than make a strong claim for a new form of governance. The failure of both strategies proved Wilson correct, and suggested that many politicians, academics and commentators had brought too strongly into the concept of institutional flux.

By 1977, the idea of co-operation as a means of Callaghan staying in power was a surprisingly unexpected and unplanned development in Westminster, despite the almost inevitable movement towards minority government. Callaghan's desire to retain executive power was evident through his reticence to move towards an agreement with the Liberal Party. A key concern for those leading the SDP in 1981 was that co-operation with the Liberals would damage their attempts to replace the Labour Party within a two-party system. Key to the failure of Lib-Lab politics in the 1990s was the fact that Jenkins and Ashdown never persuaded Blair away from a majoritarian mind-set. Ashdown's desire for structural party change and the maintenance of an independent Liberal Democrat party meant consistent rejection of overt pre-electoral co-operation with the Labour Party. This constrained his political strategy. In contrast Blair saw the possibility of co-operation creating radical change within the two-party system, with co-operation a means of accentuating and continuing New Labour's claim to dominance within a two-party system. This meant both leaders working at cross-purposes.

3) Economic or political crisis, or the construction of crisis within justifications of the pursuit and enactment of co-operation, were a recurrent theme in actors' rhetorical attempts to legitimise cross-party co-operation. This tallies with a trend that Bogdanor (2011) identified in the way the National Government of 1931 and the wartime coalitions were publicly sold. This was equally clear in the rhetoric surrounding the creation of the coalition government in 2010, and Nick Clegg (2016) argued, when defending it, that 'providing a stable government necessary at a time of great economic turbulence was the right thing to do'. This was clear in Churchill's claim to embody a national cause that attempted to delegitimise the Liberal Party's insistence upon independence. Ted Heath's calls for coalition with the Liberal Party were defined by working in the 'national interest' to deal with the 'economic crisis'. Discussion within Labour about whether to frame the Lib-Lab Pact as borne from the need for 'national' or 'economic' 'recovery' was about how much the idea of coalition should be imbued in the agreement. The idea that flashpoints of co-operation are born from exceptional economic circumstances could suit political actors with a stake in the

maintenance of two-party politics. It is an example of where process of contestation of the 'rules' of party politics could act to reinforce the 'rules' themselves – the language of exceptionalism and crisis minimalizes the normalization of co-operation, as well as reinforcing the *status quo* of single-party majority government. It is a clear manifestation of the pathology of strong government within the British Political Tradition, and the idea that 'Westminster and Whitehall knows best'.

RQ1b) Do British political parties provide ideational hurdles and/or organizational barriers to inter-party co-operation?

David Steel (Interview, 2016) noted, somewhat antagonistically, that 'the thing about the 2010 negotiations is those leading them had very little grasp of the party's history, and I include in that Nick Clegg and Danny Alexander'. Two inferences can be drawn from this. Firstly, Steel suggests a defining role for political leadership within the organisational structure of parties when co-operation is a strategic option. Leaders have agency and are not inherently driven and determined by path dependent precedent. Secondly, he is arguing that there is a dominant historical narrative within the Liberal Democrats around co-operation with other parties. Steel clearly felt he was, as leader, driving his party forward along a road half-travelled when pursuing co-operation with the Labour Party in 1977 and the SDP in 1981.

Similarly, Paddy Ashdown argued that not pursuing centre-left co-operation would have been a 'dereliction of duty' as leader of the Liberal Democrats. The extent to which leaders of the Liberal and Liberal Democrat parties can claim to be fulfilling a core duty of their role as party leader, by exploring centre-left realignment through co-operation, is debatable. McAnulla (2007) has identified a conflict between tradition as non-reflective and habitual, or as a rational and reflective instrument that can be evoked by strategic actors; Weller and Haddon (2016: 483), similarly, have spoken of 'convenient myths: constructed traditions … used to justify current positions'. This tension existed in the discourse around co-operation. Wrapping calls for co-operation within a convenient mythology or lineage is useful in advancing intra-party support for co-operation within the Liberal Party and the Liberal Democrats. However, Jo Grimond's private concerns about the Lib-Lab Pact, and his slow embrace of the Alliance, suggest attempts by Steel and Ashdown to frame their leadership as a continuation of his calls for realignment are problematic. Indeed, both advocates and opponents of a strategy of co-operation within the Liberal Party in the 1970s and early 1980s cited Grimond as an influence.

Steel's criticism of the pace of Ashdown's attempts at co-operation, if not their core purpose, suggest there is a limit to levels of continuity, as do Steel and Ashdown's differing views on Nick Clegg's entry into coalition. But there are obvious reasons why a radical, energetic Grimond would be a useful touchstone for political leaders looking to pursue co-operation. Through each case study, from the pre-1945 Radical Action, through Liberal Youth and the Association of Liberal (later Liberal Democrat) Councillors (ALC), there has always been a significant 'radical' tendency within the Liberal Democrats and its antecedents, one

that eschews a central role for leadership and questions the value of co-operation. That advocates of pluralism through inter-party co-operation have to operate within a closed, elite and Westminster-centred negotiating environment – with parliamentary parties almost as excluded as the wider membership and voters from the negotiation and bargaining process – consistently jars with a subset of the Liberal Party most concerned with retaining policy influence and independence. Jeremy Thorpe shied away from the intra-party confrontation necessary to gain the full flexibility to accept any foothold in office he was offered. However, Steel and Ashdown's success in gaining support for measures allowing the exploration of co-operation is notable. This was done through persuasion and dialogue, the placing of co-operation at the centre of their leaderships, and the presentation and framing of co-operation. Both leaders proved the intra-party hurdles were difficult and draining, but ultimately surmountable.

Just as both Steel and Ashdown argued Grimond's focus on realignment formed a lineage and justification for co-operation, so the memory of Ramsay MacDonald was repeatedly evoked as a warning of the inherent intra-party dangers of co-operation for leaders of the Labour Party. Yet a shared vocabulary about the potential pitfalls of negotiations did not amount to a shared political logic regarding co-operation. The memory of MacDonald was present in cases where co-operation was pursued somewhat enthusiastically by Tony Blair, as well as reluctantly or not at all by Callaghan and Wilson. The assumption that the Labour Party was institutionally averse to co-operation was largely accepted under Wilson's leadership, while Callaghan's Lib-Lab Pact was – apart from Tribune Group protests – largely accepted as a necessary means for the government's continuation. However, what was evident across cases was a Parliamentary Labour Party and a union movement that were very hostile to negotiations. There was little attempt by Callaghan or Blair to challenge the negative perception of inter-party co-operation. Instead, both leaders operated in a secretive way as a means of bypassing opposition – Callaghan by not informing his cabinet of explicit promises he had made to Steel on his support for proportional representation, Blair by attempting to circumnavigate his sceptical colleagues. What seemed clear from negotiations was a relatively weak form of institutional memory, and a cyclical quality to the importance of prior negotiations within parties. Jenkins' conception of realignment and the SDP played a significant role in Ashdown's motivation for pursuing his abandonment of the policy of 'equidistance', but also in the thinking of Tony Blair. Equally, for opponents of co-operation, the SDP's splinter from the Labour Party in 1981 was a reason for tribal opposition. But there was little, if any, institutional memory of the Lib-Lab Pact when co-operation was considered in the 1990s.

There were some attempts, most notably by Nick Boles (2010), to link the creation of the coalition government to the Conservatives' co-option of the Liberal National Party in the immediate post-war period under Churchill's leadership. But there was little attempt – perhaps for understandable reasons, given comparisons may have fallen flat – to link the conception of 'National Unity' under Heath to attempts by Churchill to similarly forge an 'anti-socialist' government founded on a 'national' appeal. It was left to

Thorpe in negotiations to invite comparisons on electoral reform with Churchill's ideas about mixed electoral systems for urban and rural areas. What was evident in both the forties/fifties and the seventies, however, was the powerful role of the Conservative Parliamentary Party in vetoing movements towards the kind of institutional changes necessary to entice the Liberal Party into an agreement. This also spread into a disconnect between the leadership and the party-at-large, with those set against co-operation claiming to represent a wider organisation wary of giving Liberal competitors the legitimacy that would come with co-operation. It is perhaps cold comfort to David Cameron to know that he was not the first leader to operate under fear of a membership backlash from Lib-Con co-operation. Indeed, alienation of a section of the Conservative Party membership was viewed as a significant side-effect of the 2010 coalition government, even if survey research suggests that a clear majority of the wider membership would, in fact, have been receptive to (or at least tolerated) continued at coalition in 2015 had circumstances dictated (Webb et. al, 2017).

RQ2: Do strategic rationales of actors instigating and negotiating co-operation conform to the framework of disruption/defence of the existing institutional equilibrium?

How institutional and organisational context shapes these flashpoints of co-operation, and how this empirically translates into recurrent themes, has a clear knock-on effect on the question of strategic agency, which forms the second area of structured analysis. Key to RQ2 is not just whether actors operating from different strategic positions within the party system approach inter-party co-operation differently. That much is almost self-evident. The crux is whether a lens which sees actors engaging strategically with their institutional context could shed more light on why co-operation between parties is attempted, and succeeds or fails. The proposition is that elite actors function fully aware of the potential institutional effects of co-operation, within a British political system that grants actors significant power over how political contexts feed into informal institutional rules and norms. Therefore, actors approach inter-party discussion in a way that attempts to either limit or exacerbate levels of disruption to the ideational and mechanical underpinnings of a British Political Tradition that hinges on the core tenets of two-party politics and single-party government. Although the strategic choices actors made did vary in each case study, this binary framework did have significant heuristic power in explaining their actions.

This actor- and strategy-centred lens showed, unsurprisingly, that the relative political strength of parties and leaders drives their ability to dictate the direction and scope of co-operation. Clement Davies' Liberal Party struggled to break out of the shadow of Churchill's Conservative Party; equally, Churchill was not able to push through his full strategy of Con-Lib co-operation due to the constraints imposed upon him by powerful colleagues. Jeremy Thorpe's electoral pitch for the Liberal Party was defined by the two largest parties – undermined by the relative weakness of the Conservatives and stifled by Wilson's unwillingness to engage in discussion around co-operation. Heath's inability to carry through a radical pitch centred on

co-operation stemmed from strategic indecisiveness, but was also a product of personal political weakness created by his defeat in February 1974. The negotiations between Callaghan and Steel ultimately skewed heavily towards Callaghan's preferences because Labour held the ability to promise change through the asymmetric power accruing to the party in government. Ashdown's gains from 'the project' were limited by Blair's alternative strategic vision, and ultimate unwillingness to engage in the political reform Ashdown and his party wished for. Ashdown argues that:

> what the Cook-Maclennan agreement did was to shape the climate for the debate between ourselves and Labour, and with the country. It was the framework that enabled the coalition to follow – it placed coalition on the agenda (Brack, Little and Ashdown, 2015: 454)

Any claim to cause and effect between the Cook-Maclennan agreement and the coalition government in 2010 is, in reality, rather weak. However, it provides a useful indication of what leaders may hope to achieve from co-operation, as well as the limitations on their capacity to do so. The SDP-Liberal Alliance provides a useful comparison here. Both parties could make a serious claim to being the larger and more significant political force. That it provides the only case where both party leaders fully achieved their objectives – co-operation, and widespread integration forged with the support of both party memberships – serves to highlight the fact that smaller parties normally struggle to achieve their aims from discussions around co-operation. However, a key element of heresthetics is that agency is not a function only of environment and position, but is dependent instead on something less easily tangible, namely the temporal and strategic horizon of political actors. Steel's political strength within the Liberal Party during this period, as well as Jenkins' ability to win the intra-party battle within the SDP over the style and pace of co-operation, were the result of strategic decision-making as well as shared objectives.

Disrupting existing institutional equilibrium?

Each of the Liberal and Liberal Democrat leaders had clear aims and ideas regarding the party system, and how co-operation would affect their place within it. This interaction with their institutional environment took precedence over any other specific policy aim. However, whether co-operation with other parties was seen to be strategically expedient differed in each case. This difference can be seen through an analysis of the leaderships of Clement Davies and Jeremy Thorpe on the one hand, and David Steel and Paddy Ashdown on the other. Davies and Thorpe operated with shorter temporal horizons, aiming to consolidate the Liberal position within an existing party system, with institutional questions an important but less immediate priority. Steel and Ashdown both saw the reconstruction of the system of party politics as necessarily the key priority for their leaderships, believing that their parties' short-term electoral position meant little unless they had the opportunity of office.

In part, this also reflected different political contexts. The post-war political flux Davies inherited as leader quickly settled into a two-party contest, with the Liberal Party (seemingly terminally) marginalised. This partially explains why Davies felt maintaining an independent Liberal Party was the overwhelming priority. Davies did little, if anything, to weigh up the medium-term benefits of electoral reform against the short-term loss of electoral independence. That Churchill ultimately offered a position in cabinet, without such reform, validated his scepticism about the value for the Liberal Party in entrusting Lib-Con co-operation to lead to institutional change. Thorpe, similarly, was principally concerned with consolidating the Liberals' newfound electoral strength. This meant an attempt to diffuse the potential damage links to the Conservative Party could cause, rather than pressing forward the concept of co-operation. Again, perhaps wisely, he put little faith in Heath's noises about a Speaker's Conference on electoral reform. In practice, this meant that both Davies and Thorpe shied away from private manoeuvres towards co-operation, and publicly created some distance from Conservative calls for co-operation.

On the other hand, Steel and Ashdown were operating in electoral circumstances where co-operation had a stronger short-term electoral logic. Steel arguably, and in the view of many Labour figures almost certainly, had little choice but to explore co-operation in 1977, given his party's precarious polling position. Similarly, the squeeze Ashdown's Liberal Democrats felt upon Blair's accession to the Labour leadership meant they could seek to either profit from New Labour's political energy, or be overwhelmed by it. This could only come through a recalibration not only of the electoral system but also the expectations of voters. They felt – in what was, ironically, a manifestation of the British Political Tradition's tendency towards the asymmetric centralisation – that this was achievable through a top-down, Westminster-centred demonstration to voters of the validity and value of co-operation. Tracing the decision-making of each leader shows both Davies and Thorpe unwilling to make the strategic choices and undertake the necessary intra-party discussions to increase the possibility of co-operation at any electoral cost. On the other hand Steel and Ashdown, within the institutional constraints outlined above, carried their party into co-operation without the guarantee of changes to the voting system, in the hope that the act of coalition itself would demonstrate pluralism in action. Steel and Ashdown put their (perhaps, ultimately misplaced) faith in the performative effect of co-operation, and the belief that co-operation would beget co-operation. Once inter-party politics gained momentum pluralistic institutions could, and would, follow. That neither the Lib-Lab Pact nor 'the project' had the desired impact is a measure of the difficulty in shaping the path of co-operation as the junior partner.

SDP-Liberal dynamics show objectives around co-operation are the function of a party's place and size within the party system, as well as elite agents' interpretation of the strategic value of inter-party politics. Jenkins and Steel pursued co-operation as a means of disrupting the party system. However, not all the key figures agreed that co-operation was the route towards a new politics. David Owen particularly had a different reading of the purpose of co-operation. Jenkins felt co-operation could demonstrate the value of

political change, and from there electoral success would follow; Owen felt ever-closer co-operation diluted claims to radicalism, damaging the party's ability to gain a strong electoral foothold. Jenkins' understanding of the importance of winning this internal battle affected the timing of co-operation: Jenkins wished for co-operation to begin immediately and therefore embedded into the SDP's identity. Owen argued any co-operation be confirmed only once the SDP's status as the senior partner was cemented. What helped in the intra-party persuasion of both parties was evidence that the institutions, the mould, of British politics was breaking through co-operation. The later failure to break through in 1983 and 1987 has meant this moment of brief electoral breakthrough is largely forgotten. Nevertheless, it provides a partial route-map of how parties might begin to challenge the two-party monopoly in the future.

Defending existing institutional equilibrium

None of the leaders of either the Conservative or Labour parties embraced the idea that co-operation would, or should, lead to pluralistic institutional change. Each leader sought to use co-operation as a counter-intuitive way of maintaining two-party majoritarianism. This meant that the policy-value or short term costs and benefits of co-operation were, if not superseded by readings of the medium and long-term implications of co-operation, at least balanced alongside expectations of how co-operation could affect both the institutional norms and the shape of British party politics. However, the attempted maintenance of two party politics through co-operation was approached in two quite different ways: on the one hand, the open embrace of parties was seen merely as a means of 'eating up' the Liberal or Liberal Democrats; on the other, minimalistic agreements that produced the desired short-term benefits would limit, as much as possible, the medium and long-term effects of co-operation.

For Winston Churchill and Tony Blair, co-operation provided the possibility of expanding their party's electoral appeal. Both saw the road to power, and the maintenance of it, running through appeals to Liberals and Liberal Democrats. This was achievable through a posture towards co-operation as much as the formal enactment of any inter-party agreements. While both were open to formal structures of co-operation as a means of achieving this, entertaining the idea of instrumental changes to the electoral system was a means towards integration of either a broadly anti-Socialist force in 1950-51, or an anti-Conservative one in 1997. Both leaders' strategies should be assessed both in terms of their long-term vision of party system restructuring, which remain elusive, and in terms of their contribution to the electoral coalitions that led to majority governments in 1951 and 1997 which, at the very least, partially justify their attempts to co-opt the Liberal Party and its successor.

The aim of the Labour Party in March 1977 when legislative (and, it was felt, almost certainly, electoral) defeat loomed was to maintain their grip on executive power by any means possible. That Callaghan was able to do so, while in March 1974 Heath was unsuccessful, was the result in part of the legislative

arithmetic. It was also due to the fact Callaghan was able to offer Steel (a leader with a significant interest in co-operation) enough to allow him to convince his party of its merits. Both Heath and Callaghan hinged their offer on the pursuit of political stability in a time of crisis, but only Callaghan was able to offer Steel an offer on electoral reform. That PR for Europe was a chimera, with no plausible legislative path, was the result largely of Michael Foot's negotiating belligerence, as well as the fact that Callaghan was able to face both ways, privately pledging his support for the proposal, but determinedly underplaying the obligations within agreement to his cabinet when seeking their approval. Heath's slow acceptance that he would need to open up to the concept of co-operation throughout 1974 acted to dilute the radicalism of his proposal. It was a stark example of the need for both sharp strategy and strong rhetoric if strategy is to be successfully enacted. Heath's reluctance to put his leadership under question and increasing intra-party dissent meant he possessed neither.

Framework revisited, and routes forward

Framework, revisited

A key contention of this thesis was that the direct implications of the British Political Tradition on party politics had yet to be fully fleshed out. The research questions posed and probed above sketch out some areas in which the pathologies of the British Political Tradition impact upon the dynamics of British Party Politics: the perception among elite actors from all parties of majoritarianism as a norm that constrains party strategies, entrenched within the preferences of voters and parties; the conception of crisis during flashpoints where co-operation is mooted that sees co-operation as a deviation; the idea top-down change is the way advocates of pluralism can achieve their goals; and the disparities in power between smaller and larger parties that negate efforts to provoke this institutional change. These are all processes which explain the continuing power of the idea of Westminster as an inherently two-party system, and the hold that this has over British party politics

Those who have noted the revival in the study of a British Political Tradition have remarked that it prompts meta-theoretical questions about the relationship between institutions and ideas, and the material and the ideational (Marsh and Hall, 2016: 125). This thesis engages with both these questions. It proposes the relationship between institutions and ideas as a self-conscious interaction by strategic political leaders and elites, who either support continuity (the maintenance of two-party politics and majoritarianism) or change (the entrenchment of a multi-party politics, and pluralism). Agents work in conscious tension within an institutional environment – an environment that conditions the political context in which strategic choices about co-operation are made, while also acting as the key areas of contention and negotiation in inter-party co-operation. The short, medium and long-term institutional and structural effects of co-operation therefore provide both the context and the content of discussions around co-operation.

This is an attempt to move beyond what Hay and Wincott (1998: 943) described as 'the unhelpful dualism' of institutional context and political conduct. It also appears to hold water empirically. There is enough evidence here to suggest that political actors are very conscious of what co-operation with competitors could mean for the party system and the potential longer-term effects of the structures of party politics. Hay and Wincott (Ibid.: 954-5) approvingly argued that historical institutionalists believed institutional settlements to be:

> less a functional means of reducing uncertainty, so much as structures whose functionality or dysfunctionality is an open – empirical and historical – question … (with) institutions as the subject and focus of political struggle

Each leader's calculations on the value and purpose of co-operation (and they were 'calculations' in as much as they were imbued with a thin rationality, in their interpretation of self-interest) was self-consciously aware of these institutional effects. Party leaders and party elites made (sometimes flawed) judgements about how much change co-operation could cause in both the mechanical institutions of British Politics, and the ideational environment in which politics takes place.

The distinction between a 'Westminster politics' as a set of ideas, and as a set of institutions, was also subject to agency and dependent on the creativity of individual leaders. Some leaders, like David Steel and Paddy Ashdown, believed co-operation could foster pluralism, and saw the possibility of co-operation as something that could fundamentally alter the path of politics in Westminster. The act of co-operation was as key a part of a wider strategy to shape politics, and their party's likelihood of success, as any institutional concessions on electoral or constitutional reform. Churchill and Blair, albeit from a different starting point, also saw an ideational purpose to mooting and discussing cross-party co-operation. The rhetorical act of co-operation as an electoral signal to voters was part of a longer-term attempt to retain a two-party system. While the aims were different, what these two logics shared is a belief in the creative and performative possibility of co-operation (even if co-operation was not ultimately formally realised) as a means of achieving objectives. These politicians, while certainly aware of the need to defend or change existing institutional arrangements, were also acutely aware of the impact their strategies could have on the ideational context in which these political battles over institutions were contested.

What is also clear from these case studies is that the heresthetical categorisations proposed – leaders of smaller parties urging disruption of an existing majoritarian structure, and leaders of larger parties acting to limit institutional effects – are heuristics through which to understand political strategies rather than determinate logics that mean the strategies that leaders choose are inevitable. Political strategy is a product both of a party's position, and the role of agency and leadership vision. As such, both context and what

Riker (1986: 51) called the mastering of the 'heresthetician's art' are important. These case studies show that the temporal horizons and strategic decision-making of actors is not something that can be detached from the agency of individual political elites. Actors in similar sets of circumstances and social locations do not have the same preferences, so these case studies are not wholly institutionally and contextually determined. The instincts of Jeremy Thorpe and David Steel towards co-operation were not the same, just as the instincts of Ted Heath and Margaret Thatcher were very different. Winston Churchill and Tony Blair both shared an instinctive belief in the possibility of a 'big tent' strategy, pursued through loose co-operation; they were operating with Liberal and Liberal Democrat leaders, in Clement Davies and Paddy Ashdown, with significantly different levels of enthusiasm to co-operate. However, what the heuristic offers is a benchmark from which to understand the temporal horizon of political leaders, and the extent to which they felt they can – given their political position within their party and the party system as a whole – act to affect their strategic environment. Political action is not inherently an exercise in straightforward utility maximisation, which means understanding motivation involves researching – which this thesis has done, through analysing the primary interview and archival evidence – the processes of strategic deliberation that led to leaders, elite actors and parties to approach inter-party co-operation in particular ways.

Heresthetics, with its offer of theoretical purchase without being bound by instrumental rationality, has provided a route through which to navigate the politics of inter-party co-operation. This thesis has shown that its sustained application can lead to supplementary ways to understand the relationship between structure and agency, and new ways to conceive of heresthetics as a descriptive and explanatory concept. Uses of heresthetics 'have tended to focus on the heresthician more than the heresthetic' (Finlayson and Martin, 2008: 452) – which suggests that the focus of analysis has been on understanding and explaining individual-level behaviour through a lens of political strategy, rather than finding ways in which recurrent themes can be explained by institutional and structural environments. The suggestion of conceiving strategic activity as concerned principally with the disruption or defence of existing institutional equilibrium provides a way of thinking about heresthetics that is explicitly concerned with medium and long-term institutional change. Actors pursuing co-operation are concerned with their institutional legacy as much as short-term goals of maintaining office or gaining votes.

In-depth analysis of these case studies show the short-term logics that guide basic rational choice explanations of coalition understanding are at best only part of the picture. Even when clearly acting on short-term rationales, for example when Callaghan pursued a Lib-Lab Pact to stay in office in 1977, restricting long-term institutional effects were a key motivation. It is only by understanding Paddy Ashdown's wider goals of wide-reaching and long-lasting structural change in the way British politics is conducted, that his relative failure can be fully understood. This temporal dimension is an expansion on Riker's typologies that focused on the scope of strategies – whether they were concerned with particular votes, or the strategic manipulation of wider issue agendas – rather than their temporal horizon. It is a

distinction that could potentially be useful to understand the interaction of structure and agency in other areas of party politics and public policy.

Application of theory and findings

Political events since this thesis was first proposed in early 2013 have further justified the study of co-operation and inter-party politics in British Politics, and prompted research questions that branch out from those asked within the space constraints here. What Richards and Smith (2015) described after Cameron's unexpected victory in the general election of 2015 as 'the strange resurrection of the British Political Tradition' has, to some extent, continued apace within the sphere of party politics. The two largest parties hold a share of the vote that, while not at the same level as in 1951, suggests a (perhaps transient) move away from what many thought was an inevitable trend towards a British multi-party system. Whether smaller parties in Britain should embrace co-operation to remain relevant, or reject it to stay alive for fear of being eaten up by two large parties, remains a key question. Although the Liberal Democrats have returned to the era of fitting in a mini-bus (and show little sign of being able to half-fill a reasonable-sized coach in the near future) hung parliaments, wherein smaller and regionalist parties potentially hold the balance of power, remain a plausible continuing feature of British politics in the medium-term. This leads to the obvious question of how the core theoretical framework, uncovered by the historical analysis here, could be used to address the incentives and hurdles to co-operation between parties in British politics in the future. Here are four important additions:

Firstly, the core overall finding of this thesis is that politicians from different parties, with very similar short-term imperatives, may have conflicting long-term strategic motivations. These longer-term temporal horizons of politicians are about shaping the institutional environment in which decisions about co-operation take place. These longer-term imperatives often (though do not inevitably) clash between actors with different interests in maintaining or disrupting the institutional status quo. The concept of an 'institutional equilibrum' that elite actors engage with is a useful heuristic when trying to understand the dynamics of co-operation. Surface-level 'irrationality' may disguise goals related to the institutional structure of British politics, and are about the interaction between ideas and institutions during periods of political flux. When co-operation in the future is analysed, the actions and language of actors should be viewed through a lens that understands that the context of British politics creates a specific interaction between institutions and ideas when realignment and inter-party co-operation is mooted.

This can mean that political actors approach co-operation very differently despite – on the face of it – having the same objectives. Partly, the size of parties is a predictive determinant of what the rational incentives of politicians are, when co-operation is proposed. But this goes beyond the way that size is used

in a game-theoretical sense by political scientists. So as a further addition, this thesis suggests that future research should assess how the British Political Tradition is used by politicians during frenetic periods of inter-party bargaining as a way of shaping outcomes. Interpreting the language that is used by elite political actors to explain co-operation between parties is as important as other methods, such as content analysis of coalition agreements, or large n comparative models of government formation. For larger parties, this often means constraining the choices of smaller parties and limiting their bargaining power. It can also mean justifying co-operation through the recurrent tropes of the BPT – a search for strong, decisive government that frames co-operation as a paradoxical means to reinforce majoritarian norms. In other words, what Dunleavy (2009: 62) described as a recurrent framework of 'a balanced and 'self-adjusting constitution" that absorbs political change. The pathologies of the BPT provide a way of explaining how actors justify co-operation the way that they do, based on their interaction with the Westminster Model. This conceptual lens has an explanatory power that can be used to understand future co-operation.

So political actors exist in conscious tension with the party system, particularly in times of institutional flux. Future research, aiming to understand party strategies around the issue of co-operation, will benefit from using the lens of the BPT. Institutional barriers to co-operation are writ large in most assessments of the plausibility of party political office-seeking outside single party government within the two largest parties. The historical experience of smaller parties when they attempt to disrupt the existing equilibrium or change the party system is worn heavily by those in favour of advocating either new political parties or co-operation across existing political parties. Realignment is not a dirty word in British politics, but it is a historically and institutionally loaded word. Future research on co-operation in Britain should ground itself in an understanding that co-operation is mooted within a political system that sees inter-party activity as counter-cultural.

It is also a question of statecraft and agency, and the interaction of elite agents with political parties as organisational institutions. Attempts at co-operation are a question of, and there are patterns in the types of practice and heresthetic strategies developed by the politicians analysed here: skilled herestheticians will not repeat the mistakes of the past (in fact, and the SDP is often used as an exemplar, it may utilise the past as a means of avoiding its mistakes). But finding commons regularities in how leaders approach co-operation will come as further cases emerge. So the heresthetic framework suggested and taken forward here also suggests we need to look at mooted co-operation as a question of political leadership. If the structural constraints facing parties will continue to make forming majorities harder, at the same time as non-majoritarian governments remain denormalised, then political reality will continue to rub against the cultural norms of British politics. Each political leader will react to this in subtly different ways. Internal battles within parties about their broader purpose and direction can often be viewed through the proxy lens of inter-party co-operation. This was true of the Conservative Party in the immediate post-war period. It was true of the SDP, and the internal schism between followers of Jenkins and David Owen. It was true of

the Liberal Party, at first divided between an elite that grew strongly, and the wider organisation but then led by David Steel. Inter-party dynamics will become could well become more central to questions of statecraft in British politics. This thesis suggests that attitudes to co-operation can be an inviable and overlooked way of understanding the broader strategies of political parties – their leaderships, and their wider organisation – that reveals .The argument here is that if attempts to forge co-operation are to be understood at their root cause, then we must understand key factors relating to cross-party co-operation: the relative strength of parties in relation to each other and the institutional framework of British politics, but also the outlook of party leaders and party elites in relation to co-operation and to the broader party system.

While prompted as a search for historical and party context for the 2010 coalition, the framework used here can be applied and extended to its creation. This would build on Heppell's use of heresthetics, and the ever-growing number of primary accounts that, with increasing candour, are shedding light on the dynamics of the coalition government. The build-up to the 2015 general election would also provide a fruitful study for understanding how the expectation of interaction between parties shapes campaigning behaviour and electoral strategy, and it is another case looks in danger of being overlooked as pre-election expectation and inter-party activity is either whitewashed and wilfully forgotten. This thesis subscribes to a degree of Westminster Model exceptionalism. It is only in majoritarian systems where a majoritarian political culture and practice can be a point of contention. So there is scope for its findings to be tried in other settings and systems where debates about co-operation and institutional reform are conducted in the context of majoritarian rules and norms. Contemporary debates about electoral reform in Canada, for example, are conducted through the complex interaction of short and long-term rational incentives of political actors, and a majoritarian political culture and environment that continues to provide obstacles to democratic reform (Dias, 2017; Winer, 2017). There is significant scope for the theoretical advances here to be both utilised and further tested.

Relevant historical portents continue to emanate from these flashpoints of co-operation. The Conservative minority government elected in June 2017 brought with it the prospect of the relentless drumbeat of the slowly diminishing parliamentary arithmetic that led to the Lib-Lab Pact in 1977. The Conservative-DUP agreement prompted a similar reaction to the prospect of an overt deal between Callaghan's Labour and the Ulster Unionists. Theresa May's call for cross-party action in July 2017 summoned up the key fault with Ted Heath's concept of a Government of National Unity: forged from leadership weakness, it was, fairly or otherwise, defined as divisive and an electoral liability. The prospect of a centrist splinter from the Labour Party, and an 'SDP Mark II' perhaps diminished following June 2017. The Brexit process, however, maintains the internal fissure within both main parties. The political actions of discontent politicians within both parties are clearly determined by a feeling that Certainly, the assumption co-operation was a structurally necessary route to a Labour government no longer exists. The type of Lib-Con co-operation

on Europe that Heath envisaged with Jeremy Thorpe, and that damaged Ashdown's relationship with the Labour Party, is highly unlikely. Instead, Corbyn's parliamentary leadership on Europe brings with it the possibility for dissent, revolt and cross-party co-operation on the Labour benches. It is likely the party-political flux has yet to settle, and another flashpoint of inter-party politics is far from impossible.

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